

A large, white, three-dimensional AIG logo is mounted on the facade of a modern building. The building has a curved glass and metal exterior with a grid of windows. The overall image has a blue tint.

# American International Group, Inc.

Quarterly Financial Supplement  
First Quarter 2019

All financial information in this document is unaudited. This supplement should be read in conjunction with AIG's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, which will be filed with the Securities and Exchange Commission.

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## American International Group, Inc. Cautionary Statement Regarding Forward-Looking Information

This Financial Supplement may include, and officers and representatives of American International Group, Inc. (AIG) may from time to time make and discuss, projections, goals, assumptions and statements that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions and statements are not historical facts but instead represent only a belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG’s control. These projections, goals, assumptions and statements include statements preceded by, followed by or including words such as “will,” “believe,” “anticipate,” “expect,” “intend,” “plan,” “focused on achieving,” “view,” “target,” “goal” or “estimate.” These projections, goals, assumptions and statements may relate to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, anticipated organizational, business or regulatory changes, anticipated sales, monetization and/or acquisitions of businesses or assets, or successful integration of acquired businesses, management succession and retention plans, exposure to risk, trends in operations and financial results.

It is possible that AIG’s actual results and financial condition will differ, possibly materially, from the results and financial condition indicated in these projections, goals, assumptions and statements. Factors that could cause AIG’s actual results to differ, possibly materially, from those in the specific projections, goals, assumptions and statements include:

- changes in market and industry conditions;
- the occurrence of catastrophic events, both natural and man-made;
- AIG’s ability to successfully reorganize its businesses and execute on its initiatives to improve its underwriting capabilities and reinsurance programs, as well as improve profitability, without negatively impacting client relationships or its competitive position;
- AIG’s ability to successfully dispose of, monetize and/or acquire businesses or assets or successfully integrate acquired businesses;
- actions by credit rating agencies;
- changes in judgments concerning insurance underwriting and insurance liabilities;
- changes in judgments concerning potential cost saving opportunities;
- the impact of potential information technology, cybersecurity or data security breaches, including as a result of cyber-attacks or security vulnerabilities;
- disruptions in the availability of AIG’s electronic data systems or those of third parties;
- the effectiveness of AIG’s strategies to recruit and retain key personnel and its ability to implement effective succession plans;
- negative impacts on customers, business partners and other stakeholders;
- AIG’s ability to successfully manage Legacy portfolios;
- concentrations in AIG’s investment portfolios;
- the requirements, which may change from time to time, of the global regulatory framework to which AIG is subject;
- significant legal, regulatory or governmental proceedings;
- changes in judgments concerning the recognition of deferred tax assets and goodwill impairment; and
- such other factors discussed in Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) in AIG’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019 (which will be filed with the Securities and Exchange Commission), and Part II, Item 7. MD&A and Part I, Item 1A. Risk Factors in AIG’s Annual Report on Form 10-K for the year ended December 31, 2018.

AIG is not under any obligation (and expressly disclaims any obligation) to update or alter any projections, goals, assumptions or other statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise.



## American International Group, Inc. Non-GAAP Financial Measures

Throughout this Financial Supplement, we present our financial condition and results of operations in the way we believe will be most meaningful and representative of our business results. Some of the measurements we use are “Non-GAAP financial measures” under Securities and Exchange Commission rules and regulations. GAAP is the acronym for generally accepted accounting principles in the United States. The non-GAAP financial measures we present may not be comparable to similarly-named measures reported by other companies.

We use the following operating performance measures because we believe they enhance the understanding of the underlying profitability of continuing operations and trends of our business segments. We believe they also allow for more meaningful comparisons with our insurance competitors. When we use these measures, reconciliations to the most comparable GAAP measure are provided on a consolidated basis.

**Adjusted Pre-tax Income (APTI)** is derived by excluding the items set forth below from income from continuing operations before income tax. This definition is consistent across our segments. These items generally fall into one or more of the following broad categories: legacy matters having no relevance to our current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that we believe to be common to the industry. APTI is a GAAP measure for our segments. Excluded items include the following:

- changes in fair value of securities used to hedge guaranteed living benefits;
- changes in benefit reserves and deferred policy acquisition costs (DAC), value of business acquired (VOBA), and sales inducement assets (SIA) related to net realized capital gains and losses;
- changes in the fair value of equity securities;
- loss (gain) on extinguishment of debt;
- all net realized capital gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication. Earned income on such economic hedges is reclassified from net realized capital gains and losses to specific APTI line items based on the economic risk being hedged (e.g. net investment income and interest credited to policyholder account balances);
- income or loss from discontinued operations;
- net loss reserve discount benefit (charge);
- pension expense related to a one-time lump sum payment to former employees;
- income and loss from divested businesses;
- non-operating litigation reserves and settlements;
- restructuring and other costs related to initiatives designed to reduce operating expenses, improve efficiency and simplify our organization;
- the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain;
- integration and transaction costs associated with acquired businesses;
- losses from the impairment of goodwill; and
- non-recurring external costs associated with the implementation of non-ordinary course legal or regulatory changes or changes to accounting principles.

**Adjusted After-tax Income attributable to AIG (AATI)** is derived by excluding the tax effected adjusted pre-tax income (APTI) adjustments described above and the following tax items from net income attributable to AIG:

- deferred income tax valuation allowance releases and charges;
- changes in uncertain tax positions and other tax items related to legacy matters having no relevance to our current businesses or operating performance; and
- net tax charge related to the enactment of the Tax Cuts and Jobs Act (Tax Act);

and by excluding the net realized capital gains (losses) from noncontrolling interests.

**Book Value per Common Share, Excluding Accumulated Other Comprehensive Income (AOCI) and Book Value per Common Share, Excluding AOCI and Deferred Tax Assets (DTA) (Adjusted Book Value per Common Share)** are used to show the amount of our net worth on a per-common share basis. We believe these measures are useful to investors because they eliminate items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. These measures also eliminate the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in these book value per common share metrics. Book value per common share, excluding AOCI, is derived by dividing Total AIG Common Shareholders’ equity, excluding AOCI, by total common shares outstanding. Adjusted Book Value per Common Share is derived by dividing Total AIG common shareholders’ equity, excluding AOCI and DTA (**Adjusted Common Shareholders’ Equity**), by total common shares outstanding. The reconciliation to book value per common share, the most comparable GAAP measure, is presented on page 50 herein.

**AIG Return on Common Equity (ROCE) – Adjusted After-tax Income Excluding AOCI and DTA (Adjusted Return on Common Equity)** is used to show the rate of return on common shareholders’ equity. We believe this measure is useful to investors because it eliminates items that can fluctuate significantly from period to period, including changes in fair value of our available for sale securities portfolio, foreign currency translation adjustments and U.S. tax attribute deferred tax assets. This measure also eliminates the asymmetrical impact resulting from changes in fair value of our available for sale securities portfolio wherein there is largely no offsetting impact for certain related insurance liabilities. We exclude deferred tax assets representing U.S. tax attributes related to net operating loss carryforwards and foreign tax credits as they have not yet been utilized. Amounts for interim periods are estimates based on projections of full-year attribute utilization. As net operating loss carryforwards and foreign tax credits are utilized, the portion of the DTA utilized is included in Adjusted Return on Common Equity. Adjusted Return on Common Equity is derived by dividing actual or annualized adjusted after-tax income attributable to AIG by average Adjusted Common Shareholders’ Equity. The reconciliation to return on common equity, the most comparable GAAP measure, is presented on page 50 herein.

**Core, General Insurance, Life and Retirement and Legacy Adjusted Attributed Common Equity** is an attribution of total AIG Adjusted Common Shareholders’ Equity to these segments based on our internal capital model, which incorporates the segments’ respective risk profiles. Adjusted attributed common equity represents our best estimates based on current facts and circumstances and will change over time.

**Core, General Insurance, Life and Retirement and Legacy Return on Common Equity – Adjusted After-tax Income (Adjusted Return on Attributed Common Equity)** is used to show the rate of return on Adjusted Attributed Common Equity. Adjusted Return on Attributed Common Equity is derived by dividing actual or annualized Adjusted After-tax Income by Average Adjusted Attributed Common Equity. The reconciliations to Adjusted Return on Common Equity are presented on pages 14, 23, 38 and 52 herein.



## American International Group, Inc. Non-GAAP Financial Measures (continued)

**Adjusted After-tax Income Attributable to Core, General Insurance, Life and Retirement and Legacy** is derived by subtracting attributed interest expense and income tax expense from APTI. Attributed debt and the related interest expense is calculated based on our internal capital model. Tax expense or benefit is calculated based on an internal attribution methodology that considers among other things the taxing jurisdiction in which the segments conduct business, as well as the deductibility of expenses in those jurisdictions. The reconciliations from Adjusted pre-tax income to Adjusted after-tax income attributed to General Insurance, Life and Retirement, Core and Legacy are presented on pages 14, 23, 38 and 52 herein. Attributed debt is included on page 53 herein.

**Adjusted Revenues** exclude Net realized capital gains (losses), income from non-operating litigation settlements (included in Other income for GAAP purposes) and changes in fair value of securities used to hedge guaranteed living benefits (included in Net investment income for GAAP purposes). Adjusted revenues is a GAAP measure for our operating segments.

**Ratios:** We, along with most property and casualty insurance companies, use the loss ratio, the expense ratio and the combined ratio as measures of underwriting performance. These ratios are relative measurements that describe, for every \$100 of net premiums earned, the amount of losses and loss adjustment expenses (which for General Insurance excludes net loss reserve discount), and the amount of other underwriting expenses that would be incurred. A combined ratio of less than 100 indicates underwriting income and a combined ratio of over 100 indicates an underwriting loss. Our ratios are calculated using the relevant segment information calculated under GAAP, and thus may not be comparable to similar ratios calculated for regulatory reporting purposes. The underwriting environment varies across countries and products, as does the degree of litigation activity, all of which affect such ratios. In addition, investment returns, local taxes, cost of capital, regulation, product type and competition can have an effect on pricing and consequently on profitability as reflected in underwriting income and associated ratios.

**Accident year loss and combined ratios, as adjusted:** both the accident year loss and combined ratios, as adjusted, exclude catastrophe losses and related reinstatement premiums, prior year development, net of premium adjustments, and the impact of reserve discounting. We believe that as adjusted ratios are meaningful measures of our underwriting results on an ongoing basis as they exclude catastrophes and the impact of reserve discounting which are outside of management's control. We also exclude prior year development to provide transparency related to current accident year results.

Underwriting ratios are computed as follows:

- a) Loss ratio = Loss and loss adjustment expenses incurred ÷ Net premiums earned (NPE)
- b) Acquisition ratio = Total acquisition expenses ÷ NPE
- c) General operating expense ratio = General operating expenses ÷ NPE
- d) Expense ratio = Acquisition ratio + General operating expense ratio
- e) Combined ratio = Loss ratio + Expense ratio
- f) Accident year loss ratio, as adjusted (AYLR) = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/- Reinstatement premiums related to catastrophes (CYRIPs)+/(-) RIPs related to prior year catastrophes (PYRIPs) + (Additional) returned premium related to PYD on loss sensitive business ((AP)RP) + Adjustment for ceded premiums under reinsurance contracts related to prior accident years]
- g) Accident year combined ratio, as adjusted = AYLR + Expense ratio
- h) Catastrophe losses (CATs) and reinstatement premiums = [Loss and loss adjustment expenses incurred – (CATs)] ÷ [NPE +/-(-) CYRIPs] – Loss ratio
- i) Prior year development net of (additional) return premium related to PYD on loss sensitive business = [Loss and loss adjustment expenses incurred – CATs – PYD] ÷ [NPE +/-(-) CYRIPs +/-(-) PYRIPs + (AP)RP] – Loss ratio – CAT ratio

**Premiums and deposits:** includes direct and assumed amounts received and earned on traditional life insurance policies, group benefit policies and life-contingent payout annuities, as well as deposits received on universal life, investment-type annuity contracts, Federal Home Loan Bank (FHLB) funding agreements and mutual funds.

Results from discontinued operations are excluded from all of these measures.

**Key Terms** - Throughout this Financial Supplement, we use the following terms:

**Natural and man-made catastrophe losses** are generally weather or seismic events having a net impact on AIG in excess of \$10 million each and also include certain man-made events, such as terrorism and civil disorders that exceed the \$10 million threshold.

**Alternative investment income** includes income on hedge funds, private equity funds and affordable housing partnerships. Hedge funds for which we elected the fair value option are recorded as of the balance sheet date. Private equity funds are generally reported on a one-quarter lag. We use an 8% expected rate of return for the better (worse) than expected alternative investments line item for all periods presented herein.

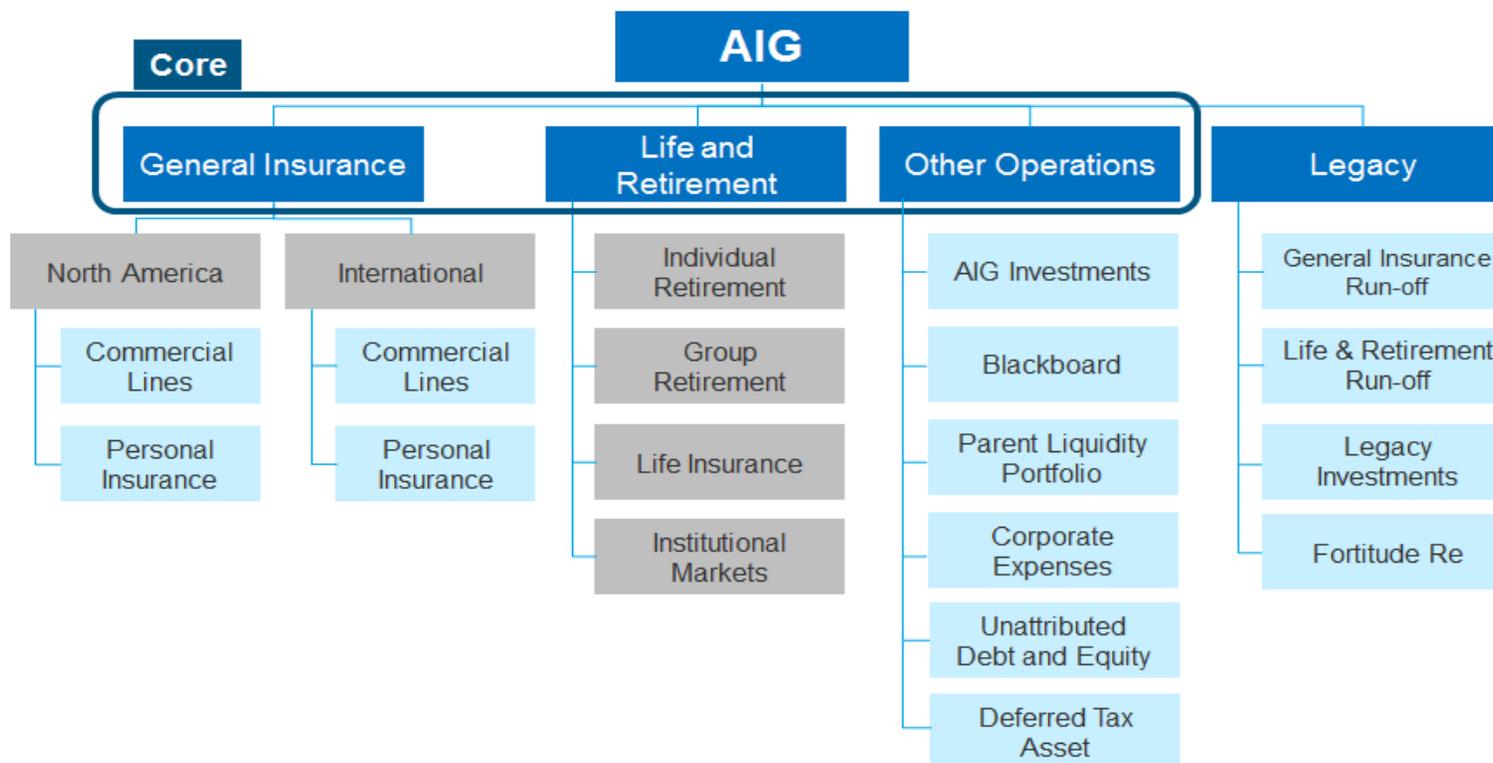


# American International Group, Inc.

## Overview

### Segment Reporting

To align our financial reporting with the manner in which AIG's chief operating decision makers review the businesses to assess performance and make decisions about resources to be allocated, we organize our business units into General Insurance and Life and Retirement as follows:



### General Insurance

#### Geography

North America primarily includes insurance businesses in the United States, Canada and Bermuda. International includes insurance businesses in Japan, the United Kingdom, Europe, the Asia Pacific region, Puerto Rico, Australia and the Middle East. Geography results are presented before consideration of internal reinsurance agreements.

### Presentation changes:

**Changes in the fair value of equity securities** – Beginning in the first quarter of 2019, on a prospective basis, the changes in fair value of equity securities are excluded from APTI. See note 4 of the accompanying notes to the Consolidated Results on page 12.

**Other income reclassification** – Beginning in the first quarter of 2019, on a prospective basis, within Legacy and Other Operations, investment income from our non-insurance subsidiaries is reported in Net investment income instead of Other income to align reporting with General Insurance and Life and Retirement reporting segments. See note 13 of the accompanying notes to the Consolidated Results on page 12. Also refer to accompanying notes to Other Operations and Legacy on pages 37 and 42, respectively.

**Severe losses** are no longer presented.



**American International Group, Inc.**  
**Consolidated Financial Highlights**

(in millions, except per share data)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Results of Operations Data (attributable to AIG)</b>					
Net income (loss)	\$ 654	\$ (622)	\$ (1,259)	\$ 937	\$ 938
Net income (loss) per share:					
Basic	\$ 0.75	\$ (0.70)	\$ (1.41)	\$ 1.04	\$ 1.03
Diluted (1)	\$ 0.75	\$ (0.70)	\$ (1.41)	\$ 1.02	\$ 1.01
Weighted average shares outstanding:					
Basic	875.4	887.5	895.2	903.2	908.0
Diluted (1)	877.5	887.5	895.2	916.6	925.3
Effective tax rate	18.8 %	19.7 %	20.1 %	25.6 %	22.6 %
Adjusted after-tax income (loss)	\$ 1,388	\$ (559)	\$ (301)	\$ 961	\$ 963
Adjusted after-tax income (loss) per diluted share (1)	\$ 1.58	\$ (0.63)	\$ (0.34)	\$ 1.05	\$ 1.04
Weighted average diluted shares - operating (1)	877.5	887.5	895.2	916.6	925.3
Adjusted effective tax rate	22.9 %	18.5 %	27.9 %	25.1 %	20.0 %
<b>Selected Balance Sheet data, at period end</b>					
Total assets	\$ 512,922	\$ 491,984	\$ 504,860	\$ 496,829	\$ 499,143
Long-term debt	35,776	34,540	34,594	33,784	33,619
Preferred equity	485	-	-	-	-
AIG common shareholders' equity	60,302	56,361	58,586	61,186	62,792
AIG shareholders' total equity	60,787	56,361	58,586	61,186	62,792
Adjusted common shareholders' equity	48,248	47,621	49,169	51,103	50,358
<b>Adjusted Attributed Common Equity *</b>					
General Insurance	\$ 24,826	\$ 25,066	\$ 26,910	\$ 24,146	\$ 23,887
Life and Retirement	18,280	19,695	19,254	19,972	19,931
Other Operations	(2,308)	(6,026)	(5,806)	(2,282)	(2,706)
<b>Total Core</b>	<u>40,798</u>	<u>38,735</u>	<u>40,358</u>	<u>41,836</u>	<u>41,112</u>
<b>Legacy</b>	<u>7,450</u>	<u>8,886</u>	<u>8,811</u>	<u>9,267</u>	<u>9,246</u>
<b>Total AIG adjusted attributed common equity</b>	<u>\$ 48,248</u>	<u>\$ 47,621</u>	<u>\$ 49,169</u>	<u>\$ 51,103</u>	<u>\$ 50,358</u>
<b>Return On Common Equity (ROCE, attributable to AIG)</b>					
ROCE	4.5 %	(4.3)%	(8.4)%	6.0 %	5.9 %
Adjusted return on common equity	11.6 %	(4.6)%	(2.4)%	7.6 %	7.7 %
Adjusted return on attributed common equity - Core**	13.4 %	(4.3)%	(3.6)%	8.2 %	8.6 %
Adjusted return on attributed common equity - General Insurance**	14.0 %	(11.8)%	(11.9)%	5.6 %	5.1 %
Adjusted return on attributed common equity - Life and Retirement**	15.0 %	9.8 %	11.2 %	15.0 %	14.3 %
Adjusted return on attributed common equity - Legacy Portfolio**	4.4 %	(5.4)%	2.9 %	4.6 %	4.6 %

\* Attribution of adjusted common equity is performed on an annual basis unless recalibration is needed (refer to page 53). Adjusted attributed common equity is based on our internal capital model and on the risk profile of each business.

\*\* Refer to pages 14, 23, 38 and 52 for components of calculation.

See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 48.



**American International Group, Inc.**  
**Consolidated Financial Highlights**

(in millions, except per share data)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b><u>AIG Capitalization</u></b>					
Total equity	\$ 62,093	\$ 57,309	\$ 59,177	\$ 61,797	\$ 63,357
Hybrid debt securities (2)	1,545	1,548	1,552	1,554	1,592
Total equity and hybrid debt	63,638	58,857	60,729	63,351	64,949
Financial debt (2)	22,765	22,186	22,768	21,886	22,043
<b>Total capital</b>	<b>\$ 86,403</b>	<b>\$ 81,043</b>	<b>\$ 83,497</b>	<b>\$ 85,237</b>	<b>\$ 86,992</b>
<b><u>Ratios</u></b>					
Hybrid - debt securities / Total capital	1.8 %	1.9 %	1.9 %	1.8 %	1.8 %
Financial debt / Total capital	26.3	27.4	27.3	25.7	25.3
Total debt / Total capital	28.1	29.3	29.2	27.5	27.1
Preferred stock / Total capital	0.6	0.0	0.0	0.0	0.0
<b>Total debt and preferred stock / Total capital</b>	<b>28.7 %</b>	<b>29.3 %</b>	<b>29.2 %</b>	<b>27.5 %</b>	<b>27.1 %</b>
<b><u>Common Stock Repurchases</u></b>					
Aggregate repurchase of common stock	\$ -	\$ 745	\$ 348	\$ 348	\$ 298
Number of common shares repurchased	-	18.0	6.6	6.5	5.4
Average price paid per share of common stock	\$ -	\$ 41.22	\$ 53.05	\$ 53.47	\$ 55.41
Aggregate repurchase of warrants	\$ -	\$ 5	\$ 2	\$ 2	\$ 2
Number of warrants repurchased	-	0.7	0.1	0.2	0.1
<b><u>Dividends</u></b>					
Dividends declared per common share	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32
Total dividends declared	\$ 278	\$ 280	\$ 283	\$ 286	\$ 289
<b><u>Share Data (attributable to AIG, at period end)</u></b>					
Common shares outstanding	869.7	866.6	884.6	891.2	897.7
Closing share price	\$ 43.06	\$ 39.41	\$ 53.24	\$ 53.02	\$ 54.42
Book value per common share	69.33	65.04	66.23	68.65	69.95
Book value per common share, excluding AOCI	66.89	66.67	66.83	68.40	67.48
Adjusted book value per common share	55.47	54.95	55.58	57.34	56.10

See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 48.



**American International Group, Inc.**  
**Consolidated Financial Highlights**

(in millions)

**Adjusted Pre-Tax Income (Loss)**

**General Insurance**

North America  
 International  
 Total General Insurance

**Life and Retirement**

Individual Retirement  
 Group Retirement  
 Life Insurance  
 Institutional Markets  
 Total Life and Retirement

Other Operations

Consolidation, eliminations and other adjustments

**Total Core**

**Total Legacy Portfolio**

**Total adjusted pre-tax income (loss)**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
\$	934	(575)	(160)	407	320
	334	(147)	(665)	161	190
	1,268	(722)	(825)	568	510
	508	327	393	462	499
	232	159	242	250	282
	116	87	16	175	52
	68	50	62	75	59
	924	623	713	962	892
	(387)	(451)	(417)	(374)	(342)
	(70)	31	29	(12)	11
	<b>1,735</b>	<b>(519)</b>	<b>(500)</b>	<b>1,144</b>	<b>1,071</b>
	112	(150)	84	134	145
<b>\$</b>	<b>1,847</b>	<b>(669)</b>	<b>(416)</b>	<b>1,278</b>	<b>1,216</b>

**Noteworthy Profit and Loss Data**

**Revenue Items:**

Better (worse) than expected alternative returns  
 Better (worse) than expected DIB and GCM returns\*  
 Better (worse) than expected fair value changes on Fixed Maturity Securities -  
 Other accounted under fair value option\*\* (3)  
 Changes in the fair value of Equity Securities - Other (4)

**Expense Items:**

Catastrophe losses, net of reinsurance  
 Prior year loss reserve development (favorable) unfavorable, net of reinsurance  
 Annual actuarial assumption update

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
\$	236	(340)	117	(48)	103
	(5)	(31)	15	(19)	37
	15	50	(32)	(42)	(42)
	-	(143)	(13)	3	(31)
\$	175	798	1,624	150	376
	(74)	365	170	(63)	(110)
	-	105	103	-	-

\* DIB refers to Direct Investment Book and GCM refers to Global Capital Markets.

\*\* Includes the fair value changes on the DIB and GCM asset portfolios.

See accompanying notes on page 12 and reconciliations of Non-GAAP financial measures beginning on page 48.



**American International Group, Inc.**  
**Consolidated Statement of Operations**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Revenues:</b>					
Premiums	\$ 8,070	\$ 8,464	\$ 7,668	\$ 7,207	\$ 7,275
Policy fees	735	734	530	763	764
Net investment income:					
Interest and dividends	3,161	3,075	3,084	2,985	3,060
Alternative investments	419	(182)	329	171	337
Other investment income (loss) (14)	413	(11)	98	35	(12)
Investment expenses	(114)	(128)	(115)	(126)	(124)
Total net investment income	3,879	2,754	3,396	3,065	3,261
Net realized capital gains (losses)	(446)	235	(511)	165	(19)
Other income	218	373	403	431	431
Total revenues	12,456	12,560	11,486	11,631	11,712
<b>Benefits, losses and expenses</b>					
Policyholder benefits and losses incurred	6,679	7,928	8,312	5,505	5,667
Interest credited to policyholder account balances	940	970	933	935	916
Amortization of deferred policy acquisition costs	1,289	1,573	1,118	1,337	1,358
General operating and other expenses	2,053	2,383	2,325	2,323	2,271
Interest expense	349	407	326	299	277
(Gain) loss on extinguishment of debt	(2)	(3)	1	5	4
Net (gain) loss on sale of divested businesses	(6)	(3)	(2)	(25)	(8)
Total benefits, losses and expenses	11,302	13,255	13,013	10,379	10,485
<b>Income (loss) from continuing operations before income taxes</b>	1,154	(695)	(1,527)	1,252	1,227
<b>Income tax (benefit) expense</b>	217	(137)	(307)	321	277
<b>Income (loss) from continuing operations</b>	937	(558)	(1,220)	931	950
<b>Income (loss) from discontinued operations, net of income taxes</b>	-	(2)	(39)	-	(1)
<b>Net income (loss)</b>	937	(560)	(1,259)	931	949
<b>Net income (loss) attributable to noncontrolling interests (5)</b>	283	62	-	(6)	11
<b>Net income (loss) attributable to AIG</b>	\$ 654	\$ (622)	\$ (1,259)	\$ 937	\$ 938

See accompanying notes on page 12.



**American International Group, Inc.**  
**Consolidated Balance Sheets**

(in millions)	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
<b>Assets</b>					
<b>Investments:</b>					
Fixed maturity securities					
Bonds available for sale, at fair value	\$ 238,201	\$ 229,391	\$ 232,720	\$ 228,673	\$ 233,914
Other bond securities, at fair value	11,511	11,415	11,420	11,774	12,397
Equity securities					
Other common and preferred stock, at fair value	841	1,253	1,443	1,675	1,725
Mortgage and other loans receivable, net of allowance	43,834	43,135	41,878	39,978	38,540
Other invested assets	19,343	19,341	19,739	20,648	21,183
Short-term investments	11,133	9,674	8,863	17,010	14,616
<b>Total investments</b>	<b>324,863</b>	<b>314,209</b>	<b>316,063</b>	<b>319,758</b>	<b>322,375</b>
Cash	2,565	2,873	2,741	2,135	2,103
Accrued investment income	2,482	2,389	2,524	2,449	2,390
Premiums and other receivables, net of allowance	12,655	11,011	12,238	10,860	11,107
Reinsurance assets, net of allowance	40,558	38,172	37,178	34,497	34,744
Deferred income taxes	14,545	15,221	15,088	14,753	14,558
Deferred policy acquisition costs (6)	12,128	12,694	12,683	11,997	11,631
Other assets (6)	14,308	13,568	13,300	9,634	9,646
Separate account assets, at fair value	88,818	81,847	93,045	90,746	90,589
<b>Total assets</b>	<b>\$ 512,922</b>	<b>\$ 491,984</b>	<b>\$ 504,860</b>	<b>\$ 496,829</b>	<b>\$ 499,143</b>
<b>Liabilities</b>					
Liability for unpaid losses and loss adjustment expenses	\$ 82,496	\$ 83,639	\$ 81,959	\$ 76,713	\$ 78,098
Unearned premiums	20,812	19,248	20,829	19,676	20,038
Future policy benefits for life and accident and health insurance contracts	46,508	44,935	44,374	44,608	44,895
Policyholder contract deposits	145,380	142,262	140,491	138,964	138,153
Other policyholder funds	3,493	3,568	3,738	3,482	3,473
Other liabilities	27,546	24,636	26,653	27,059	26,921
Long-term debt	35,776	34,540	34,594	33,784	33,619
Separate account liabilities	88,818	81,847	93,045	90,746	90,589
<b>Total liabilities</b>	<b>450,829</b>	<b>434,675</b>	<b>445,683</b>	<b>435,032</b>	<b>435,786</b>
<b>AIG shareholders' equity</b>					
Preferred stock (7)	485	-	-	-	-
Common stock	4,766	4,766	4,766	4,766	4,766
Treasury stock, at cost	(48,999)	(49,144)	(48,051)	(48,052)	(47,706)
Additional paid-in capital	81,148	81,268	81,008	80,924	80,841
Retained earnings	21,259	20,884	21,749	23,318	22,671
Accumulated other comprehensive income (loss)	2,128	(1,413)	(536)	230	2,220
<b>Total AIG shareholders' equity</b>	<b>60,787</b>	<b>56,361</b>	<b>58,586</b>	<b>61,186</b>	<b>62,792</b>
<b>Non-redeemable noncontrolling interests</b>	<b>1,306</b>	<b>948</b>	<b>591</b>	<b>611</b>	<b>565</b>
<b>Total equity</b>	<b>62,093</b>	<b>57,309</b>	<b>59,177</b>	<b>61,797</b>	<b>63,357</b>
<b>Total liabilities and equity</b>	<b>\$ 512,922</b>	<b>\$ 491,984</b>	<b>\$ 504,860</b>	<b>\$ 496,829</b>	<b>\$ 499,143</b>

See accompanying notes on page 12.



**American International Group, Inc.**  
**Segment Balance Sheets**

March 31, 2019

(in millions)	General Insurance	Life & Retirement	Other Operations (8)	Total Core	Legacy Portfolio (9) (10)	AOCI and DTA**	AIG Inc.
<b>Assets:</b>							
<b>Investments:</b>							
Fixed maturity securities							
Bonds available for sale, at fair value	\$ 61,303	\$ 125,393	\$ 4,079	\$ 190,775	\$ 40,964	\$ 6,462	\$ 238,201
Other bond securities, at fair value	1,135	3,412	2,535	7,082	4,429	-	11,511
Equity securities							
Other common and preferred stock, at fair value	682	97	36	815	26	-	841
Mortgage and other loans receivable, net of allowance	10,909	30,115	(1,052)	39,972	3,862	-	43,834
Other invested assets	8,032	6,491	2,447	16,970	2,373	-	19,343
Short-term investments	4,259	4,275	1,666	10,200	933	-	11,133
<b>Total investments</b>	<b>86,320</b>	<b>169,783</b>	<b>9,711</b>	<b>265,814</b>	<b>52,587</b>	<b>6,462</b>	<b>324,863</b>
Cash	1,715	453	157	2,325	240	-	2,565
Accrued investment income	740	1,990	(337)	2,393	89	-	2,482
Premiums and other receivables, net of allowance	13,152	589	(1,681)	12,060	595	-	12,655
Reinsurance assets, net of allowance	34,543	1,846	(267)	36,122	4,436	-	40,558
Deferred income taxes	3,340	2,798	(1,473)	4,665	593	9,287	14,545
Deferred policy acquisition costs (6)	2,914	8,588	(1)	11,501	627	-	12,128
Other assets (6)	14,484	4,111	(4,073)	14,522	1,930	(2,144)	14,308
Separate account assets, at fair value	-	86,851	-	86,851	1,967	-	88,818
<b>Total assets</b>	<b>\$ 157,208</b>	<b>\$ 277,009</b>	<b>\$ 2,036</b>	<b>\$ 436,253</b>	<b>\$ 63,064</b>	<b>\$ 13,605</b>	<b>\$ 512,922</b>
<b>Liabilities:</b>							
Liability for unpaid losses and loss adjustment expenses	\$ 74,195	\$ -	\$ 159	\$ 74,354	\$ 8,142	\$ -	\$ 82,496
Unearned premiums	20,536	-	5	20,541	271	-	20,812
Future policy benefits for life and accident and health insurance contracts	985	15,620	(58)	16,547	29,961	-	46,508
Policyholder contract deposits	-	140,919	(138)	140,781	4,599	-	145,380
Other policyholder funds	-	261	-	261	3,232	-	3,493
Other liabilities	19,744	6,881	(5,118)	21,507	4,488	1,551	27,546
<b>Long-term debt:</b>							
Operating debt	3,034	3,685	1,884	8,603	2,863	-	11,466
Attributed debt	13,519	3,918	6,873	24,310	-	-	24,310
<b>Total Long-term debt</b>	<b>16,553</b>	<b>7,603</b>	<b>8,757</b>	<b>32,913</b>	<b>2,863</b>	<b>-</b>	<b>35,776</b>
Separate account liabilities	-	86,851	-	86,851	1,967	-	88,818
<b>Total liabilities</b>	<b>132,013</b>	<b>258,135</b>	<b>3,607</b>	<b>393,755</b>	<b>55,523</b>	<b>1,551</b>	<b>450,829</b>
<b>AIG Shareholders' equity</b>							
Attributed preferred equity* (7)	282	196	-	478	7	-	485
Adjusted attributed common equity**	24,826	18,280	(2,308)	40,798	7,450	12,054	60,302
Non-redeemable noncontrolling interests	87	398	737	1,222	84	-	1,306
<b>Total Equity</b>	<b>25,195</b>	<b>18,874</b>	<b>(1,571)</b>	<b>42,498</b>	<b>7,541</b>	<b>12,054</b>	<b>62,093</b>
<b>Total liabilities and equity</b>	<b>\$ 157,208</b>	<b>\$ 277,009</b>	<b>\$ 2,036</b>	<b>\$ 436,253</b>	<b>\$ 63,064</b>	<b>\$ 13,605</b>	<b>\$ 512,922</b>

\* The segment balance sheets have been prepared consistent with our internal capital model.

\*\* The segment balance sheets have been prepared consistent with our internal capital model and are based on Adjusted Attributed Common Equity (which excludes AOCI and DTA). See page 53 for further discussion.

See accompanying notes on page 12.



**American International Group, Inc.  
Debt and Capital**

(in millions)	Debt and Hybrid Capital			Interest Expense/ Preferred Dividends	
	March 31,	March 31,	December 31,	Three Months Ended March 31,	
	2019	2018	2018	2019	2018
<b>Financial Debt</b>					
AIG notes and bonds payable (11)	\$ 21,427	\$ 21,048	\$ 20,853	\$ 219	\$ 202
AIG Japan Holdings Kabushiki Kaisha	338	353	331	-	-
AIG Life Holdings, Inc. notes and bonds payable	282	281	282	5	5
AIG Life Holdings, Inc. junior subordinated debt	361	361	361	7	7
Validus notes and bonds payable	357	-	359	6	-
<b>Total</b>	<b>22,765</b>	<b>22,043</b>	<b>22,186</b>	<b>237</b>	<b>214</b>
<b>Operating Debt</b>					
MIP notes payable	-	377	-	-	2
Series AIGFP matched notes and bonds payable	21	21	21	-	-
Other AIG borrowings supported by assets	2,263	2,820	2,213	-	-
Other subsidiaries	52	80	168	1	-
Borrowings of consolidated investments	9,130	6,686	8,404	88	48
<b>Total</b>	<b>11,466</b>	<b>9,984</b>	<b>10,806</b>	<b>89</b>	<b>50</b>
<b>Hybrid - Debt Securities (2)</b>					
Junior subordinated debt (12)	1,545	1,592	1,548	23	13
<b>Total debt</b>	<b>\$ 35,776</b>	<b>\$ 33,619</b>	<b>\$ 34,540</b>	<b>\$ 349</b>	<b>\$ 277</b>
<b>Preferred Shares Issuance (7)</b>					
Preferred shares	485	-	-	-	-
<b>Total debt and preferred shares</b>	<b>\$ 36,261</b>	<b>\$ 33,619</b>	<b>\$ 34,540</b>	<b>\$ -</b>	<b>\$ -</b>
<b>AIG Capitalization</b>					
Total equity	\$ 62,093	\$ 63,357	\$ 57,309		
Hybrid - debt securities (2) (12)	1,545	1,592	1,548		
<b>Total equity and hybrid capital</b>	<b>63,638</b>	<b>64,949</b>	<b>58,857</b>		
Financial debt	22,765	22,043	22,186		
<b>Total capital</b>	<b>\$ 86,403</b>	<b>\$ 86,992</b>	<b>\$ 81,043</b>		
<b>Ratios</b>					
Hybrid - debt securities / Total capital	1.8 %	1.8 %	1.9 %		
Financial debt / Total capital	26.3	25.3	27.4		
Total debt / Total capital	28.1	27.1	29.3		
Preferred stock / Total capital	0.6	-	-		
Total debt and preferred stock / Total capital	28.7 %	27.1 %	29.3 %		

See accompanying notes on page 12.



**American International Group, Inc.**  
**Consolidated Notes**

- (1) For the quarters ended December 31, 2018 and September 30, 2018, because we reported a net loss and an adjusted after-tax loss attributable to AIG common shareholders from continuing operations, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts.
- (2) Hybrid debt securities and financial debt are attributed to our reportable segments. See details of attributed debt on page 53.
- (3) Represents the impact of fair value changes included in APTI on the Fixed Maturity Securities – Other accounted under the fair value option, rather than their impact on the income from continuing operations before tax expense. We use a 6% expected rate of return to calculate the better (worse) than expected fair value changes on the Fixed Maturity Securities – Other line item for all periods presented.
- (4) Beginning in the first quarter of 2019, on a prospective basis, changes in the fair value of equity securities are excluded from APTI. The following table provides the changes in the fair value of equity securities for prior periods (on a pre-tax basis):

(in millions)

	Quarterly					Full Year
	1Q19	4Q18	3Q18	2Q18	1Q18	2018
General Insurance	\$ 53	\$ (108)	\$ (30)	\$ 9	\$ (46)	\$ (175)
Life & Retirement	-	(16)	7	(5)	2	(12)
Other Operations	12	(14)	9	1	11	7
<b>Total Core</b>	65	(138)	(14)	5	(33)	(180)
Legacy	14	(5)	1	(2)	2	(4)
<b>Changes in the fair value of Equity Securities</b>	<b>\$ 79</b>	<b>\$ (143)</b>	<b>\$ (13)</b>	<b>\$ 3</b>	<b>\$ (31)</b>	<b>\$ (184)</b>

- (5) Noncontrolling interests is primarily due to the 19.9 percent investment in Fortitude Holdings by an affiliate of The Carlyle Group L.P. (Carlyle), which occurred in the fourth quarter of 2018. Carlyle is allocated 19.9 percent of Fortitude Holdings' standalone financial results. Fortitude Holdings' results are mostly eliminated in AIG's consolidated income from continuing operations given that its results arise from intercompany transactions. Noncontrolling interests is calculated based on the standalone financial results of Fortitude Holdings. The most significant component of Fortitude Holdings' standalone results concerns gains related to the change in fair value of embedded derivatives, which moved materially in the quarter due to lower rates and tightening credit spreads, and which are recorded in net realized capital gains and losses of Fortitude Holdings. In accordance with AIG's adjusted after-tax income definition, realized capital gains and losses are excluded from noncontrolling interests. Fortitude Holdings' summarized financial information (standalone results) is presented below:

(in millions)

	First Quarter 2019	
	Fortitude Holdings	AIG NCI
Revenues	\$ 606	\$ 121
Expenses	472	94
<b>Adjusted pre-tax income</b>	<b>134</b>	<b>27</b>
Taxes on APTI	28	6
<b>Adjusted after-tax income</b>	<b>106</b>	<b>21</b>
Net realized capital gains	1,573	313
Taxes on realized capital gains	330	66
<b>Net realized capital gains - after-tax</b>	<b>1,243</b>	<b>247</b>
<b>Net income</b>	<b>\$ 1,349</b>	<b>\$ 268</b>

- (6) As of December 31, 2018, Other assets includes \$4.1 billion of Goodwill and \$1.4 billion of other intangible assets primarily relating to the acquisitions of Validus, Glatfelter Insurance Group and Ellipse.
- (7) In March 2019, we issued 20,000 shares of Series A 5.85% Non-Cumulative Preferred Stock, with a par value of \$5.00 per share and a liquidation preference of \$25,000 per share, for net proceeds of \$485 million.
- (8) Other Operations includes inter segment eliminations for Core.



**American International Group, Inc.**  
**Consolidated Notes (Cont.)**

- (9) In February of 2018, we closed a series of affiliated reinsurance transactions impacting the Legacy Portfolio (the affiliated transactions). These affiliated transactions were designed to consolidate most of the Legacy Insurance Run-Off Lines into a single legal entity, Fortitude Re, a composite reinsurer domiciled in Bermuda. As of March 31, 2019, the affiliated transactions included the cession of approximately \$31 billion of reserves from the Legacy Life and Retirement Run-off Lines and approximately \$4 billion of reserves from the Legacy General Insurance Run-off Lines relating to business written by multiple AIG legal entities, which represented over 82 percent of the insurance reserves in the Legacy Portfolio as of March 31, 2019. On November 13, 2018, we completed the sale of a 19.9 percent ownership interest in Fortitude Holdings to TC Group Cayman Investment Holdings, L.P. (TCG), an affiliate of Carlyle. Fortitude Holdings owns 100 percent of the outstanding common shares of Fortitude Re and AIG has an 80.1 percent ownership interest in Fortitude Holdings.
- (10) The affiliated reinsurance transactions executed in the first quarter of 2018 with Fortitude Re resulted in prepaid insurance assets on the ceding subsidiaries' balance sheets of approximately \$2.5 billion (after-tax). These assets have been eliminated in AIG's consolidated financial statements since the counterparties were wholly-owned. In the event of a sale of a controlling interest in Fortitude, our Legacy Portfolio may recognize a loss for the portion of the unamortized balance of these assets and related deferred acquisition costs of \$0.5 billion (after-tax) that are not recoverable, if any, in the period in which our interest in Fortitude becomes non-controlling. This loss would be incremental to any gain or loss recognized on the sale of our controlling interest in Fortitude.
- (11) In March 2019, we issued \$600 million aggregate principal amount of 4.250% Notes Due 2029. We intend to use the net proceeds from this offering for general corporate purposes, which may include the retirement of our debt, including the repayment of a portion of our 2.300% Notes due 2019 (outstanding principal amount of \$1.0 billion), which are scheduled to mature in July 2019.
- (12) The junior subordinated debt securities receive partial equity treatment from a major rating agency under its current policies but are recorded as long-term borrowings in the Consolidated Balance Sheets.
- (13) Beginning in the first quarter of 2019, on a prospective basis, within Legacy and Other Operations, investment income from our non-insurance subsidiaries is reported in Net investment income instead of Other income to align reporting with General Insurance and Life and Retirement reporting segments. The following table reflects the impact of this reclassification (including intercompany eliminations) for all periods presented (on a pre-tax basis):

*(in millions)*

	Quarterly					Full Year
	1Q19	4Q18	3Q18	2Q18	1Q18	2018
Net investment income	\$ 116	\$ 160	\$ 164	\$ 180	\$ 190	\$ 694
Net realized capital gain (loss)	-	(2)	(2)	(5)	(2)	(11)
Other income	(116)	(158)	(162)	(175)	(188)	(683)

- (14) On February 27, 2019, we sold our remaining interest in People's Insurance Company (Group) of China Limited (PICC). The total fair value on the date of sale was \$511 million, however the purchase price reflected a discount to fair market value and we received proceeds of \$479 million. In 1Q19, we recorded \$31 million of net investment income related to the change in fair value of PICC through the date of sale.
- (15) The following table reflects the combined impact to Net investment income, on APTI basis, of the two presentation changes described in Note 4 and Note 13 above to provide pro forma results for prior periods:

*(in millions)*

	Quarterly				Full Year
	4Q18	3Q18	2Q18	1Q18	2018
Net investment income	\$ 303	\$ 177	\$ 177	\$ 221	\$ 878
APTI	145	15	2	33	195



**American International Group, Inc.**  
**General Insurance Results**

(in millions)

**Results of Operations (1) (2)**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Gross premiums written	\$ 10,195	\$ 7,699	\$ 8,668	\$ 8,653	\$ 9,205
Ceded premiums written	(4,162)	(1,275)	(1,833)	(1,676)	(3,034)
Net premiums written	<u>\$ 6,033</u>	<u>\$ 6,424</u>	<u>\$ 6,835</u>	<u>\$ 6,977</u>	<u>\$ 6,171</u>
Net premiums earned	\$ 6,713	\$ 7,171	\$ 7,081	\$ 6,570	\$ 6,683
Losses and loss adjustment expenses incurred (3)	4,233	5,743	6,276	4,317	4,488
Acquisition expenses:					
Amortization of deferred policy acquisition costs	1,159	1,215	1,223	1,092	1,066
Other acquisition expenses	303	390	313	297	385
Total acquisition expenses	<u>1,462</u>	<u>1,605</u>	<u>1,536</u>	<u>1,389</u>	<u>1,451</u>
General operating expenses	839	894	995	953	995
<b>Underwriting income (loss)</b>	<u>179</u>	<u>(1,071)</u>	<u>(1,726)</u>	<u>(89)</u>	<u>(251)</u>
Net investment income (loss):					
Interest and dividends	768	672	697	632	660
Alternative investments	327	(180)	206	68	153
Other investment income (loss)	45	(109)	32	(5)	(21)
Investment expenses	(51)	(34)	(34)	(38)	(31)
Total net investment income	<u>1,089</u>	<u>349</u>	<u>901</u>	<u>657</u>	<u>761</u>
<b>Adjusted pre-tax income (loss)</b>	<u>1,268</u>	<u>(722)</u>	<u>(825)</u>	<u>568</u>	<u>510</u>
Interest expense on attributed financial debt	144	142	141	137	124
<b>Adjusted pre-tax income (loss) including attributed interest expense</b>	<u>1,124</u>	<u>(864)</u>	<u>(966)</u>	<u>431</u>	<u>386</u>
Income tax expense (benefit)	252	(100)	(206)	97	89
<b>Adjusted after-tax income (loss) (a)</b>	<u>\$ 872</u>	<u>\$ (764)</u>	<u>\$ (760)</u>	<u>\$ 334</u>	<u>\$ 297</u>
Ending adjusted attributed common equity	\$ 24,826	\$ 25,066	\$ 26,910	\$ 24,146	\$ 23,887
Average adjusted attributed common equity (b)*	24,946	25,988	25,528	24,017	23,410
Adjusted return on attributed common equity (a÷b)	<u>14.0 %</u>	<u>(11.8) %</u>	<u>(11.9) %</u>	<u>5.6 %</u>	<u>5.1 %</u>
<b>Underwriting Ratios</b>					
Loss ratio (3)	63.1	80.1	88.6	65.7	67.2
Catastrophe losses and reinstatement premiums	(2.7)	(11.3)	(22.0)	(2.3)	(5.7)
Prior year development	1.0	(5.3)	(2.7)	0.8	1.6
Adjustments for ceded premium under reinsurance contracts and other	0.4	0.4	(0.3)	1.2	-
Accident year loss ratio, as adjusted	<u>61.8</u>	<u>63.9</u>	<u>63.6</u>	<u>65.4</u>	<u>63.1</u>
Acquisition ratio	21.8	22.4	21.7	21.1	21.7
General operating expense ratio	12.5	12.5	14.1	14.5	14.9
Expense ratio	<u>34.3</u>	<u>34.9</u>	<u>35.8</u>	<u>35.6</u>	<u>36.6</u>
Combined ratio (3)	<u>97.4</u>	<u>115.0</u>	<u>124.4</u>	<u>101.3</u>	<u>103.8</u>
Accident year combined ratio, as adjusted	<u>96.1</u>	<u>98.8</u>	<u>99.4</u>	<u>101.0</u>	<u>99.7</u>

\* See accompanying notes to Adjusted Attributed Common Equity on page 53.

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.



**American International Group, Inc.**  
**General Insurance Operating Statistics**

(in millions)

**Noteworthy Items (pre-tax)**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Catastrophe-related losses, net of reinsurance	\$ 175	\$ 826	\$ 1,567	\$ 150	\$ 376
Reinstatement premiums related to catastrophes	6	(24)	(10)	-	-
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(72)	363	172	(61)	(108)
(Additional) return premium related to prior year development on loss sensitive business	10	13	32	11	4
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(62)	376	204	(50)	(104)
Reinstatement premiums related to prior year catastrophes	(8)	11	2	-	-
Other premium adjustments related to prior year	(43)	(46)	24	(115)	-
Better (worse) than expected alternative returns	202	(311)	67	(75)	8
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	23	6	45	(17)	26
Changes in the fair value of Equity Securities - Other	-	(108)	(30)	9	(46)
Net liability for unpaid losses and loss adjustment expenses (at period end)	46,370	47,543	48,177	44,605	46,032

**Net Premiums Written by product line**

**General Insurance:**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Property	\$ 299	\$ 691	\$ 901	\$ 989	\$ 175
Special Risks	1,481	970	911	660	734
Liability	997	1,006	1,204	1,165	1,339
Financial Lines	1,001	1,054	1,023	1,097	1,021
<b>Total Commercial Lines</b>	<b>3,778</b>	<b>3,721</b>	<b>4,039</b>	<b>3,911</b>	<b>3,269</b>
Personal Lines	1,057	1,441	1,537	1,712	1,558
Accident and Health	1,198	1,262	1,259	1,354	1,344
<b>Total Personal Insurance</b>	<b>2,255</b>	<b>2,703</b>	<b>2,796</b>	<b>3,066</b>	<b>2,902</b>
<b>General Insurance net premiums written</b>	<b>\$ 6,033</b>	<b>\$ 6,424</b>	<b>\$ 6,835</b>	<b>\$ 6,977</b>	<b>\$ 6,171</b>
<b>Foreign exchange effect on worldwide premiums:</b>					
<b>Change in net premiums written</b>					
Increase (decrease) in original currency (4)	0.1 %	10.3 %	4.5 %	2.2 %	(6.1) %
Foreign exchange effect	(2.4)	(1.2)	(0.6)	2.4	4.1
Increase (decrease) as reported in U.S. dollars	(2.3) %	9.1 %	3.9 %	4.6 %	(2.0) %

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.



**American International Group, Inc.**  
**General Insurance – North America Results**

(in millions)

**Results of Operations (2)**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Net premiums written	\$ 2,578	\$ 2,944	\$ 3,164	\$ 3,236	\$ 2,039
Net premiums earned	\$ 3,153	\$ 3,428	\$ 3,302	\$ 2,892	\$ 2,692
Losses and loss adjustment expenses incurred (3)	2,189	3,244	3,264	2,115	2,153
Acquisition expenses:					
Amortization of deferred policy acquisition costs	508	537	534	430	358
Other acquisition expenses	106	167	92	102	154
Total acquisition expenses	614	704	626	532	512
General operating expenses	361	351	399	372	355
<b>Underwriting income (loss)</b>	<b>(11)</b>	<b>(871)</b>	<b>(987)</b>	<b>(127)</b>	<b>(328)</b>
Net investment income (loss):					
Interest and dividends	624	572	575	520	547
Alternative investments	327	(181)	206	68	151
Other investment income (loss)	37	(70)	68	(22)	(24)
Investment expenses	(43)	(25)	(22)	(32)	(26)
Total net investment income	945	296	827	534	648
<b>Adjusted pre-tax income (loss)</b>	<b>\$ 934</b>	<b>\$ (575)</b>	<b>\$ (160)</b>	<b>\$ 407</b>	<b>\$ 320</b>

**Underwriting Ratios**

Loss ratio (3)	69.4	94.6	98.8	73.1	80.0
Catastrophe losses and reinstatement premiums	(5.1)	(19.6)	(23.7)	(3.7)	(11.1)
Prior year development	1.8	(10.0)	(4.8)	1.6	2.8
Adjustments for ceded premium under reinsurance contracts and other	1.0	0.9	(0.5)	3.0	-
Accident year loss ratio, as adjusted	67.1	65.9	69.8	74.0	71.7
Acquisition ratio	19.5	20.5	19.0	18.4	19.0
General operating expense ratio	11.4	10.2	12.1	12.9	13.2
Expense ratio	30.9	30.7	31.1	31.3	32.2
Combined ratio (3)	100.3	125.3	129.9	104.4	112.2
Accident year combined ratio, as adjusted	98.0	96.6	100.9	105.3	103.9

**Noteworthy Items (pre-tax)**

Catastrophe-related losses, net of reinsurance	\$ 158	\$ 689	\$ 791	\$ 107	\$ 299
Reinstatement premiums related to catastrophes	6	(23)	(10)	-	-
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(60)	326	134	(54)	(78)
(Additional) return premium related to prior year development on loss sensitive business	10	13	32	11	4
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(50)	339	166	(43)	(74)
Reinstatement premiums related to prior year catastrophes	(8)	9	5	-	-
Other premium adjustments related to prior year	(43)	(46)	24	(115)	-

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.



**American International Group, Inc.**  
**General Insurance – North America – Commercial Lines Operating Statistics**

(in millions)

**Results of Operations (2)**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Net premiums written	\$ 1,998	\$ 2,161	\$ 2,229	\$ 2,321	\$ 1,314
Net premiums earned	\$ 2,375	\$ 2,594	\$ 2,425	\$ 2,069	\$ 1,918
Losses and loss adjustment expenses incurred (3)	1,680	2,427	2,389	1,616	1,456
Acquisition expenses:					
Amortization of deferred policy acquisition costs	301	319	294	206	186
Other acquisition expenses	60	110	44	59	101
Total acquisition expenses	361	429	338	265	287
General operating expenses	280	279	307	279	264
<b>Underwriting income (loss)</b>	<b>\$ 54</b>	<b>\$ (541)</b>	<b>\$ (609)</b>	<b>\$ (91)</b>	<b>\$ (89)</b>

**Underwriting Ratios**

Loss ratio (3)	70.7	93.6	98.5	78.1	75.9
Catastrophe losses and reinstatement premiums	(5.1)	(9.8)	(21.6)	(4.6)	(4.5)
Prior year development	2.8	(13.3)	(0.6)	4.2	6.9
Adjustments for ceded premium under reinsurance contracts and other	1.0	1.2	(0.7)	4.5	-
Accident year loss ratio, as adjusted	69.4	71.7	75.6	82.2	78.3
Acquisition ratio	15.2	16.5	13.9	12.8	15.0
General operating expense ratio	11.8	10.8	12.7	13.5	13.8
Expense ratio	27.0	27.3	26.6	26.3	28.8
Combined ratio (3)	97.7	120.9	125.1	104.4	104.7
Accident year combined ratio, as adjusted	96.4	99.0	102.2	108.5	107.1

**Noteworthy Items (pre-tax)**

Catastrophe-related losses, net of reinsurance	\$ 120	\$ 275	\$ 531	\$ 95	\$ 87
Reinstatement premiums related to catastrophes	4	(25)	(10)	-	-
Prior year development:					
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(69)	326	(14)	(95)	(136)
(Additional) return premium related to prior year development on loss sensitive business	9	13	32	11	4
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	(60)	339	18	(84)	(132)
Reinstatement premiums related to prior year catastrophes	(8)	9	5	-	-
Other premium adjustments related to prior year	(32)	(46)	24	(115)	-

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.

**American International Group, Inc.**  
**General Insurance – North America – Personal Insurance Operating Statistics**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Results of Operations</b>					
Net premiums written	\$ 580	\$ 783	\$ 935	\$ 915	\$ 725
Net premiums earned	\$ 778	\$ 834	\$ 877	\$ 823	\$ 774
Losses and loss adjustment expenses incurred	509	817	875	499	697
Acquisition expenses:					
Amortization of deferred policy acquisition costs	207	218	240	224	172
Other acquisition expenses	46	57	48	43	53
Total acquisition expenses	253	275	288	267	225
General operating expenses	81	72	92	93	91
<b>Underwriting income (loss)</b>	<b>\$ (65)</b>	<b>\$ (330)</b>	<b>\$ (378)</b>	<b>\$ (36)</b>	<b>\$ (239)</b>
<b>Underwriting Ratios</b>					
Loss ratio	65.4	98.0	99.8	60.6	90.1
Catastrophe losses and reinstatement premiums	(5.0)	(49.8)	(29.7)	(1.4)	(27.4)
Prior year development	(1.2)	-	(16.9)	(5.0)	(7.5)
Adjustment for ceded premium under reinsurance contract	0.9	-	-	-	-
Accident year loss ratio, as adjusted	60.1	48.2	53.2	54.2	55.2
Acquisition ratio	32.5	33.0	32.8	32.4	29.1
General operating expense ratio	10.4	8.6	10.5	11.3	11.8
Expense ratio	42.9	41.6	43.3	43.7	40.9
Combined ratio	108.3	139.6	143.1	104.3	131.0
Accident year combined ratio, as adjusted	103.0	89.8	96.5	97.9	96.1
<b>Noteworthy Items (pre-tax)</b>					
Catastrophe-related losses, net of reinsurance	\$ 38	\$ 414	\$ 260	\$ 12	\$ 212
Reinstatement premiums related to catastrophes	2	2	-	-	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	9	-	148	41	58
(Additional) return premium related to prior year development on loss sensitive business	1	-	-	-	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and (additional) return premium on loss sensitive business	10	-	148	41	58
Other premium adjustments related to prior year	(11)	-	-	-	-

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.

**American International Group, Inc.**  
**General Insurance – International Results**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Results of Operations (1)</b>					
Net premiums written	\$ 3,455	\$ 3,480	\$ 3,671	\$ 3,741	\$ 4,132
Net premiums earned	\$ 3,560	\$ 3,743	\$ 3,779	\$ 3,678	\$ 3,991
Losses and loss adjustment expenses incurred	2,044	2,499	3,012	2,202	2,335
Acquisition expenses:					
Amortization of deferred policy acquisition costs	651	678	689	662	708
Other acquisition expenses	197	223	221	195	231
Total acquisition expenses	848	901	910	857	939
General operating expenses	478	543	596	581	640
<b>Underwriting income (loss)</b>	190	(200)	(739)	38	77
Net investment income (loss):					
Interest and dividends	144	100	122	112	113
Alternative investments	-	1	-	-	2
Other investment income (loss)	8	(39)	(36)	17	3
Investment expenses	(8)	(9)	(12)	(6)	(5)
Total net investment income	144	53	74	123	113
<b>Adjusted pre-tax income (loss)</b>	\$ <b>334</b>	\$ <b>(147)</b>	\$ <b>(665)</b>	\$ <b>161</b>	\$ <b>190</b>
<b>Underwriting Ratios</b>					
Loss ratio	57.4	66.8	79.7	59.9	58.5
Catastrophe losses and reinstatement premiums	(0.5)	(3.7)	(20.5)	(1.2)	(1.9)
Prior year development	0.4	(1.0)	(1.0)	0.2	0.7
Accident year loss ratio, as adjusted	57.3	62.1	58.2	58.9	57.3
Acquisition ratio	23.8	24.1	24.1	23.3	23.5
General operating expense ratio	13.4	14.5	15.8	15.8	16.0
Expense ratio	37.2	38.6	39.9	39.1	39.5
Combined ratio	94.6	105.4	119.6	99.0	98.0
Accident year combined ratio, as adjusted	94.5	100.7	98.1	98.0	96.8
<b>Noteworthy Items (pre-tax)</b>					
Catastrophe-related losses, net of reinsurance	\$ 17	\$ 137	\$ 776	\$ 43	\$ 77
Reinstatement premiums related to catastrophes	-	(1)	-	-	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(12)	37	38	(7)	(30)
Reinstatement premiums related to prior year catastrophes	-	2	(3)	-	-

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.



**American International Group, Inc.**  
**General Insurance – International – Commercial Lines Operating Statistics**

(in millions)

**Results of Operations**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Net premiums written	\$ 1,780	\$ 1,561	\$ 1,810	\$ 1,590	\$ 1,955
Net premiums earned	\$ 1,684	\$ 1,852	\$ 1,826	\$ 1,668	\$ 1,722
Losses and loss adjustment expenses incurred	1,061	1,490	1,599	1,138	1,110
Acquisition expenses:					
Amortization of deferred policy acquisition costs	255	284	297	248	263
Other acquisition expenses	70	83	82	92	81
Total acquisition expenses	325	367	379	340	344
General operating expenses	230	246	271	266	282
<b>Underwriting income (loss)</b>	<b>\$ 68</b>	<b>\$ (251)</b>	<b>\$ (423)</b>	<b>\$ (76)</b>	<b>\$ (14)</b>

**Underwriting Ratios**

Loss ratio	63.0	80.5	87.6	68.2	64.5
Catastrophe losses and reinstatement premiums	(1.0)	(7.2)	(20.6)	(1.6)	(4.5)
Prior year development	(2.4)	(4.1)	(3.6)	0.5	-
Accident year loss ratio, as adjusted	59.6	69.2	63.4	67.1	60.0
Acquisition ratio	19.3	19.8	20.8	20.4	20.0
General operating expense ratio	13.7	13.3	14.8	15.9	16.4
Expense ratio	33.0	33.1	35.6	36.3	36.4
Combined ratio	96.0	113.6	123.2	104.5	100.9
Accident year combined ratio, as adjusted	92.6	102.3	99.0	103.4	96.4

**Noteworthy Items (pre-tax)**

Catastrophe-related losses, net of reinsurance	\$ 17	\$ 134	\$ 376	\$ 27	\$ 77
Reinstatement premiums related to catastrophes	-	(1)	-	-	-
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	41	74	68	(8)	(1)
Reinstatement premiums related to prior year catastrophes	-	2	(3)	-	-

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.

**American International Group, Inc.**  
**General Insurance – International – Personal Insurance Operating Statistics**

(in millions)

**Results of Operations**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Net premiums written	\$ 1,675	\$ 1,919	\$ 1,861	\$ 2,151	\$ 2,177
Net premiums earned	\$ 1,876	\$ 1,891	\$ 1,953	\$ 2,010	\$ 2,269
Losses and loss adjustment expenses incurred	983	1,009	1,413	1,064	1,225
Acquisition expenses:					
Amortization of deferred policy acquisition costs	396	394	392	414	445
Other acquisition expenses	127	140	139	103	150
Total acquisition expenses	523	534	531	517	595
General operating expenses	248	297	325	315	358
<b>Underwriting income (loss)</b>	<b>\$ 122</b>	<b>\$ 51</b>	<b>\$ (316)</b>	<b>\$ 114</b>	<b>\$ 91</b>

**Underwriting Ratios**

Loss ratio	52.4	53.4	72.4	52.9	54.0
Catastrophe losses and reinstatement premiums	-	(0.2)	(20.5)	(0.8)	-
Prior year development	2.8	2.0	1.5	-	1.3
Accident year loss ratio, as adjusted	55.2	55.2	53.4	52.1	55.3
Acquisition ratio	27.9	28.2	27.2	25.7	26.2
General operating expense ratio	13.2	15.7	16.6	15.7	15.8
Expense ratio	41.1	43.9	43.8	41.4	42.0
Combined ratio	93.5	97.3	116.2	94.3	96.0
Accident year combined ratio, as adjusted	96.3	99.1	97.2	93.5	97.3

**Noteworthy Items (pre-tax)**

Catastrophe-related losses, net of reinsurance	\$ -	\$ 3	\$ 400	\$ 16	\$ -
Prior year loss reserve development (favorable) unfavorable, net of reinsurance	(53)	(37)	(30)	1	(29)

See accompanying notes on page 22 and reconciliations of Non-GAAP financial measures beginning on page 48.

**American International Group, Inc.**  
**General Insurance Notes**

- (1) As a result of the merger of AIUI Japan and Fuji Fire and Marine Insurance Company (Fuji), Fuji's fiscal reporting period was conformed to that of AIUI Japan. The three-month period ended March 31, 2018 Results of Operations include two additional months of Net premiums written, Net premiums earned, Losses and loss adjustment expenses incurred, and Adjusted pre-tax income, of approximately \$300 million, \$300 million, \$200 million, and \$15 million, respectively.
- (2) AIG participates in the market for insurance-linked securities (ILS) primarily through AlphaCat Managers, Ltd. (AlphaCat). AlphaCat is an asset manager of various funds, managed accounts and sidecars capitalized by third party investors and Validus. Total assets under management by AlphaCat is \$4.2 billion at March 31, 2019, of which \$4.1 billion relates to third party assets. ILS are financial instruments for which the values are determined based on insurance risk primarily related to natural catastrophes such as earthquakes and hurricanes. We report the investment in the vehicles managed by AlphaCat as Other Invested Assets. We recognized approximately \$1 million, \$(12) million and \$5 million of Net Investment Income (Loss), as well as \$8 million, \$5 million and \$6 million of Miscellaneous Income (reported as a component of Net Premiums Earned), respectively, in the three-month periods ended March 31, 2019, December 31, and September 30, 2018.
- (3) Consistent with our definition of APTI, excluded net loss reserve discount and the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related changes in amortization of the deferred gain.
- (4) Computed using current exchange rate for the corresponding periods in the prior year.

**American International Group, Inc.**  
**Life and Retirement Results**

(in millions)

**Results of Operations**

**Premiums and deposits:**

**Revenues:**

Premiums

Policy fees

Net investment income (loss):

Base portfolio (2)

Alternative investments

Other yield enhancements (3)

Total net investment income

Advisory fee and other income

**Total adjusted revenues**

**Benefits, losses and expenses:**

Policyholder benefits and losses incurred

Interest credited to policyholder account balances

Amortization of deferred policy acquisition costs

Non deferrable insurance commissions

Advisory fee expenses

General operating expenses

Interest expense

Total benefits, losses and expenses

**Adjusted pre-tax income (1)**

Interest expense on attributed financial debt

**Adjusted pre-tax income (loss) including attributed interest expense**

Income tax expense

**Adjusted after-tax income (loss) (a)**

Ending adjusted attributed common equity

Average adjusted attributed common equity (b)\*

Adjusted return on attributed common equity (a÷b)

**Noteworthy Items:**

Annual actuarial assumption update (1)

Better (worse) than expected alternative returns

Fair value changes on Fixed Maturity Securities - Other accounted under fair value option

Changes in the fair value of Equity Securities - Other

**Quarterly**

	<b>1Q19</b>	<b>4Q18</b>	<b>3Q18</b>	<b>2Q18</b>	<b>1Q18</b>
<b>Results of Operations</b>					
<b>Premiums and deposits:</b>	<b>\$ 8,356</b>	<b>\$ 8,166</b>	<b>\$ 6,779</b>	<b>\$ 7,399</b>	<b>\$ 8,862</b>
<b>Revenues:</b>					
Premiums	\$ 1,229	\$ 1,213	\$ 443	\$ 490	\$ 446
Policy fees	707	704	500	731	734
Net investment income (loss):					
Base portfolio (2)	1,853	1,775	1,779	1,795	1,758
Alternative investments	66	61	72	75	136
Other yield enhancements (3)	123	85	109	125	152
Total net investment income	2,042	1,921	1,960	1,995	2,046
Advisory fee and other income	226	227	243	249	234
<b>Total adjusted revenues</b>	<b>4,204</b>	<b>4,065</b>	<b>3,146</b>	<b>3,465</b>	<b>3,460</b>
<b>Benefits, losses and expenses:</b>					
Policyholder benefits and losses incurred	1,566	1,617	962	770	830
Interest credited to policyholder account balances	887	913	877	869	854
Amortization of deferred policy acquisition costs	200	269	(60)	225	246
Non deferrable insurance commissions	125	139	145	135	139
Advisory fee expenses	77	79	88	86	76
General operating expenses	385	388	374	378	385
Interest expense	40	37	47	40	38
Total benefits, losses and expenses	3,280	3,442	2,433	2,503	2,568
<b>Adjusted pre-tax income (1)</b>	<b>924</b>	<b>623</b>	<b>713</b>	<b>962</b>	<b>892</b>
Interest expense on attributed financial debt	37	31	30	30	16
<b>Adjusted pre-tax income (loss) including attributed interest expense</b>	<b>887</b>	<b>592</b>	<b>683</b>	<b>932</b>	<b>876</b>
Income tax expense	176	116	134	186	174
<b>Adjusted after-tax income (loss) (a)</b>	<b>\$ 711</b>	<b>\$ 476</b>	<b>\$ 549</b>	<b>\$ 746</b>	<b>\$ 702</b>
Ending adjusted attributed common equity	\$ 18,280	\$ 19,695	\$ 19,254	\$ 19,972	\$ 19,931
Average adjusted attributed common equity (b)*	18,988	19,475	19,613	19,952	19,699
Adjusted return on attributed common equity (a÷b)	15.0 %	9.8 %	11.2 %	15.0 %	14.3 %
<b>Noteworthy Items:</b>					
Annual actuarial assumption update (1)	\$ -	\$ -	\$(98)	\$ -	\$ -
Better (worse) than expected alternative returns	23	21	31	31	95
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	64	(14)	25	29	18
Changes in the fair value of Equity Securities - Other	-	(16)	7	(5)	2

\* See accompanying notes to Adjusted Attributed Common Equity on page 53.

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.



**American International Group, Inc.**  
**Life and Retirement – Individual Retirement Results**

(in millions)

**Results of Operations**

**Premiums and deposits**

**Revenues:**

Premiums

Policy fees

Net investment income (loss):

Base portfolio (2)

Alternative investments

Other yield enhancements (3)

Total net investment income

Advisory fee and other income

**Total adjusted revenues**

**Benefits, losses and expenses:**

Policyholder benefits and losses incurred

Interest credited to policyholder account balances

Amortization of deferred policy acquisition costs

Non deferrable insurance commissions and other (13)

Advisory fee expenses

General operating expenses

Interest expense

**Total benefits, losses and expenses**

**Adjusted pre-tax income (1)**

**Noteworthy Items (pre-tax)**

Annual actuarial assumption update (1)

Better (worse) than expected alternative returns

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Premiums and deposits</b>	<b>\$ 4,186</b>	<b>\$ 4,225</b>	<b>\$ 3,616</b>	<b>\$ 3,422</b>	<b>\$ 4,358</b>
<b>Revenues:</b>					
Premiums	\$ 11	\$ 15	\$ 9	\$ 16	\$ 12
Policy fees	193	194	204	202	204
Net investment income (loss):					
Base portfolio (2)	897	849	865	878	852
Alternative investments	32	31	36	38	68
Other yield enhancements (3)	70	32	55	59	64
Total net investment income	999	912	956	975	984
Advisory fee and other income	148	155	166	173	161
<b>Total adjusted revenues</b>	<b>1,351</b>	<b>1,276</b>	<b>1,335</b>	<b>1,366</b>	<b>1,361</b>
<b>Benefits, losses and expenses:</b>					
Policyholder benefits and losses incurred	31	77	52	85	47
Interest credited to policyholder account balances	424	432	420	415	412
Amortization of deferred policy acquisition costs	120	170	196	130	134
Non deferrable insurance commissions and other (13)	77	82	81	80	81
Advisory fee expenses	54	55	62	67	54
General operating expenses	118	114	107	107	115
Interest expense	19	19	24	20	19
<b>Total benefits, losses and expenses</b>	<b>843</b>	<b>949</b>	<b>942</b>	<b>904</b>	<b>862</b>
<b>Adjusted pre-tax income (1)</b>	<b>\$ 508</b>	<b>\$ 327</b>	<b>\$ 393</b>	<b>\$ 462</b>	<b>\$ 499</b>
<b>Noteworthy Items (pre-tax)</b>					
Annual actuarial assumption update (1)	\$ -	\$ -	\$ (52)	\$ -	\$ -
Better (worse) than expected alternative returns	11	11	15	16	47

*See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.*



**American International Group, Inc.**  
**Life and Retirement – Individual Retirement (Variable and Index Annuities) Operating Statistics**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Assets under management:</b>					
General accounts	\$ 29,176	\$ 27,517	\$ 26,525	\$ 26,288	\$ 26,115
Separate accounts	47,238	43,660	49,288	47,980	48,000
<b>Total assets under management</b>	<b>\$ 76,414</b>	<b>\$ 71,177</b>	<b>\$ 75,813</b>	<b>\$ 74,268</b>	<b>\$ 74,115</b>
<b>Net investment spreads:</b>					
Total yield	5.16 %	4.49 %	4.85 %	4.81 %	4.71 %
Less: Alternative investments (5)	(0.13)	(0.13)	(0.16)	(0.17)	(0.39)
Less: Other yield enhancements (6)	(0.48)	0.15	(0.04)	0.02	0.15
<b>Base yield (7)</b>	<b>4.55</b>	<b>4.51</b>	<b>4.65</b>	<b>4.66</b>	<b>4.47</b>
Cost of funds (a)	1.36	1.29	1.24	1.17	1.25
<b>Base net investment spread (b)</b>	<b>3.19 %</b>	<b>3.22 %</b>	<b>3.41 %</b>	<b>3.49 %</b>	<b>3.22 %</b>
<b>DAC rollforward:</b>					
Balance at beginning of period	\$ 3,121	\$ 3,119	\$ 3,088	\$ 2,954	\$ 2,789
Deferrals	104	112	109	101	86
Operating amortization	(59)	(111)	(164)	(60)	(61)
Change from realized gains (losses)	84	(41)	69	7	(31)
Change from unrealized gains (losses)	(204)	42	17	86	171
<b>Balance at end of period</b>	<b>\$ 3,046</b>	<b>\$ 3,121</b>	<b>\$ 3,119</b>	<b>\$ 3,088</b>	<b>\$ 2,954</b>
<b>Reserve rollforward:</b>					
Balance at beginning of period, gross	\$ 68,794	\$ 72,535	\$ 70,260	\$ 69,660	\$ 69,550
Premiums and deposits	1,920	2,098	2,009	1,728	2,660
Surrenders and withdrawals	(1,069)	(1,153)	(1,129)	(1,096)	(1,120)
Death and other contract benefits	(245)	(247)	(239)	(248)	(254)
Subtotal	69,400	73,233	70,901	70,044	70,836
Change in fair value of underlying assets and reserve accretion, net of policy fees	4,439	(4,470)	1,604	205	(1,167)
Cost of funds (a)	74	68	62	55	57
Other reserve changes	77	(37)	(32)	(44)	(66)
Balance at end of period	73,990	68,794	72,535	70,260	69,660
Reinsurance ceded	(28)	(30)	(29)	(31)	(32)
<b>Total insurance reserves</b>	<b>\$ 73,962</b>	<b>\$ 68,764</b>	<b>\$ 72,506</b>	<b>\$ 70,229</b>	<b>\$ 69,628</b>

(a) Excludes the amortization of Sales Inducement Assets (SIA).

(b) Excludes the impact of alternative investments and other yield enhancements.

See accompanying notes on page 35.



**American International Group, Inc.**  
**Life and Retirement – Individual Retirement (Fixed Annuities) Operating Statistics**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Assets under management:</b>					
General accounts	\$ 56,305	\$ 54,521	\$ 54,725	\$ 54,783	\$ 56,663
Separate accounts	29	27	32	31	32
<b>Total assets under management</b>	<b>\$ 56,334</b>	<b>\$ 54,548</b>	<b>\$ 54,757</b>	<b>\$ 54,814</b>	<b>\$ 56,695</b>
<b>Net investment spreads (a):</b>					
Total yield	4.82 %	4.64 %	4.83 %	5.03 %	5.15 %
Less: Alternative investments (5)	(0.08)	(0.08)	(0.10)	(0.10)	(0.24)
Less: Other yield enhancements (6)	(0.06)	(0.06)	(0.16)	(0.21)	(0.31)
<b>Base yield (7)</b>	<b>4.68</b>	<b>4.50</b>	<b>4.57</b>	<b>4.72</b>	<b>4.60</b>
Cost of funds (b)	2.71	2.67	2.64	2.64	2.65
<b>Base net investment spread (c)</b>	<b>1.97 %</b>	<b>1.83 %</b>	<b>1.93 %</b>	<b>2.08 %</b>	<b>1.95 %</b>
<b>DAC rollforward:</b>					
Balance at beginning of period	\$ 1,112	\$ 1,057	\$ 1,062	\$ 1,007	\$ 884
Deferrals	48	45	30	28	19
Operating amortization	(61)	(59)	(32)	(70)	(73)
Change from realized gains (losses)	1	2	1	(1)	1
Change from unrealized gains (losses)	(312)	67	(4)	98	176
<b>Balance at end of period</b>	<b>\$ 788</b>	<b>\$ 1,112</b>	<b>\$ 1,057</b>	<b>\$ 1,062</b>	<b>\$ 1,007</b>
<b>Reserve rollforward:</b>					
Balance at beginning of period, gross	\$ 50,615	\$ 50,235	\$ 50,303	\$ 50,424	\$ 50,846
Premiums and deposits	1,821	1,678	1,165	1,125	797
Surrenders and withdrawals	(1,024)	(1,146)	(1,022)	(1,012)	(932)
Death and other contract benefits	(586)	(513)	(553)	(616)	(646)
Subtotal	50,826	50,254	49,893	49,921	50,065
Change in fair value of underlying assets and reserve accretion, net of policy fees	52	74	12	118	67
Cost of funds (b)	329	331	324	322	321
Other reserve changes	(22)	(44)	6	(58)	(29)
Balance at end of period	51,185	50,615	50,235	50,303	50,424
Reinsurance ceded	(288)	(288)	(290)	(291)	(292)
<b>Total insurance reserves</b>	<b>\$ 50,897</b>	<b>\$ 50,327</b>	<b>\$ 49,945</b>	<b>\$ 50,012</b>	<b>\$ 50,132</b>

(a) Excludes immediate annuities.

(b) Excludes the amortization of deferred SIAs.

(c) Excludes the impact of alternative investments and other yield enhancements.

See accompanying notes on page 35.

**American International Group, Inc.**  
**Life and Retirement – Individual Retirement Investment Products Net Flows**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Premiums and deposits:</b>					
Fixed Annuities	\$ 1,821	\$ 1,678	\$ 1,165	\$ 1,125	\$ 797
Variable Annuities	558	715	838	771	773
Index Annuities	1,362	1,383	1,171	957	739
Retail Mutual Funds	445	449	442	569	901
<b>Total premiums and deposits (4)</b>	<b>4,186</b>	<b>4,225</b>	<b>3,616</b>	<b>3,422</b>	<b>3,210</b>
<b>Surrenders and withdrawals:</b>					
Fixed Annuities	(1,024)	(1,146)	(1,022)	(1,012)	(932)
Variable Annuities	(918)	(1,022)	(1,006)	(977)	(1,019)
Index Annuities	(151)	(131)	(123)	(119)	(101)
Retail Mutual Funds	(1,129)	(1,676)	(1,218)	(1,499)	(1,078)
<b>Total surrenders and withdrawals</b>	<b>(3,222)</b>	<b>(3,975)</b>	<b>(3,369)</b>	<b>(3,607)</b>	<b>(3,130)</b>
<b>Death and other contract benefits:</b>					
Fixed Annuities	(586)	(513)	(553)	(616)	(646)
Variable Annuities	(216)	(221)	(215)	(222)	(231)
Index Annuities	(29)	(26)	(24)	(26)	(23)
<b>Total death and other contract benefits</b>	<b>(831)</b>	<b>(760)</b>	<b>(792)</b>	<b>(864)</b>	<b>(900)</b>
<b>Net flows (4):</b>					
Fixed Annuities	211	19	(410)	(503)	(781)
Variable Annuities	(576)	(528)	(383)	(428)	(477)
Index Annuities	1,182	1,226	1,024	812	615
Retail Mutual Funds	(684)	(1,227)	(776)	(930)	(177)
<b>Total net flows</b>	<b>\$ 133</b>	<b>\$ (510)</b>	<b>\$ (545)</b>	<b>\$ (1,049)</b>	<b>\$ (820)</b>
<b>Surrender rates (8):</b>					
<b>Fixed Annuities</b>	<b>8.1%</b>	<b>9.1%</b>	<b>8.2%</b>	<b>8.1%</b>	<b>7.4%</b>
<b>Variable and Index Annuities</b>	<b>6.0%</b>	<b>6.5%</b>	<b>6.3%</b>	<b>6.3%</b>	<b>6.4%</b>

*See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.*

**American International Group, Inc.**  
**Life and Retirement – Group Retirement Results**

(in millions)

**Results of Operations**

**Premiums and deposits**

**Revenues:**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Premiums and deposits</b>	<b>\$ 2,063</b>	<b>\$ 2,106</b>	<b>\$ 2,116</b>	<b>\$ 2,345</b>	<b>\$ 2,072</b>
<b>Revenues:</b>					
Premiums	\$ 4	\$ 4	\$ 9	\$ 15	\$ 6
Policy fees	100	107	115	112	112
Net investment income (loss):					
Base portfolio (2)	497	473	478	483	485
Alternative investments	18	16	19	19	36
Other yield enhancements (3)	26	28	34	40	61
Total net investment income	541	517	531	542	582
Advisory fee and other income	64	54	63	61	61
<b>Total adjusted revenues</b>	<b>709</b>	<b>682</b>	<b>718</b>	<b>730</b>	<b>761</b>

**Benefits, losses and expenses:**

Policyholder benefits and losses incurred	10	22	25	22	16
Interest credited to policyholder account balances	282	296	275	276	275
Amortization of deferred policy acquisition costs	12	37	7	26	25
Non deferrable insurance commissions and other (13)	28	30	30	28	29
Advisory fee expenses	23	24	26	19	22
General operating expenses	111	105	101	98	102
Interest expense	11	9	12	11	10
<b>Total benefits, losses and expenses</b>	<b>477</b>	<b>523</b>	<b>476</b>	<b>480</b>	<b>479</b>

**Adjusted pre-tax income (loss) (1)**

	<b>\$ 232</b>	<b>\$ 159</b>	<b>\$ 242</b>	<b>\$ 250</b>	<b>\$ 282</b>
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**Noteworthy items (pre-tax)**

Annual actuarial assumption update (1)	\$ -	\$ -	\$ 17	\$ -	\$ -
Better (worse) than expected alternative returns	6	5	8	8	25

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.

**American International Group, Inc.**  
**Life and Retirement – Group Retirement Operating Statistics**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Assets under administration:</b>					
General accounts	\$ 47,080	\$ 45,193	\$ 45,162	\$ 45,077	\$ 46,172
Separate accounts	35,542	32,209	37,284	36,325	35,847
Group Retirement mutual funds	19,474	17,941	20,214	20,065	19,952
<b>Total assets under administration</b>	<b>\$ 102,096</b>	<b>\$ 95,343</b>	<b>\$ 102,660</b>	<b>\$ 101,467</b>	<b>\$ 101,971</b>
<b>Net investment spreads:</b>					
Total yield	4.79 %	4.62 %	4.77 %	4.88 %	5.22 %
Less: Alternative investments (5)	(0.10)	(0.09)	(0.11)	(0.11)	(0.26)
Less: Other yield enhancements (6)	(0.10)	(0.12)	(0.17)	(0.21)	(0.43)
<b>Base yield (7)</b>	<b>4.59</b>	<b>4.41</b>	<b>4.49</b>	<b>4.56</b>	<b>4.53</b>
Cost of funds (a)	2.76	2.82	2.68	2.69	2.72
<b>Base net investment spread (b)</b>	<b>1.83 %</b>	<b>1.59 %</b>	<b>1.81 %</b>	<b>1.87 %</b>	<b>1.81 %</b>
<b>Net flows: (4)</b>					
Premiums and deposits	\$ 2,063	\$ 2,106	\$ 2,116	\$ 2,345	\$ 1,863
Surrenders and withdrawals	(2,781)	(2,590)	(2,957)	(2,638)	(2,467)
Death and other contract benefits	(157)	(144)	(145)	(166)	(151)
<b>Total net flows</b>	<b>\$ (875)</b>	<b>\$ (628)</b>	<b>\$ (986)</b>	<b>\$ (459)</b>	<b>\$ (755)</b>
<b>Surrender rates (8)</b>	<b>11.8 %</b>	<b>10.9 %</b>	<b>12.0 %</b>	<b>10.9 %</b>	<b>10.2 %</b>
<b>DAC rollforward:</b>					
Balance at beginning of period	\$ 1,030	\$ 1,033	\$ 998	\$ 980	\$ 928
Deferrals	19	27	23	19	17
Operating amortization	(12)	(37)	(7)	(26)	(25)
Change from realized gains (losses)	-	1	1	(1)	1
Change from unrealized gains (losses)	(144)	6	18	26	59
<b>Balance at end of period</b>	<b>\$ 893</b>	<b>\$ 1,030</b>	<b>\$ 1,033</b>	<b>\$ 998</b>	<b>\$ 980</b>
<b>Reserve rollforward:</b>					
Balance at beginning of period, gross	\$ 91,685	\$ 98,970	\$ 97,548	\$ 96,754	\$ 97,306
Premiums and deposits	2,063	2,106	2,116	2,345	2,072
Surrenders and withdrawals	(2,781)	(2,590)	(2,957)	(2,638)	(2,467)
Death and other contract benefits	(157)	(144)	(145)	(166)	(151)
Subtotal	90,810	98,342	96,562	96,295	96,760
Change in fair value of underlying assets and reserve accretion, net of policy fees	5,807	(6,947)	2,129	982	(270)
Cost of funds (a)	278	290	275	271	270
Other reserve changes	11	-	4	-	(6)
<b>Total insurance reserves and Group Retirement mutual funds</b>	<b>\$ 96,906</b>	<b>\$ 91,685</b>	<b>\$ 98,970</b>	<b>\$ 97,548</b>	<b>\$ 96,754</b>

(a) Excludes the amortization of SIAs.

(b) Excludes the impact of alternative investments and other yield enhancements.

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.



**American International Group, Inc.**  
**Life and Retirement – Individual and Group Retirement Variable Annuity Guaranteed Benefits (9)**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Account value by benefit type (a)</b>					
Guaranteed Minimum Death Benefits (GMDB) only (b)	\$ 66,921	\$ 63,071	\$ 69,364	\$ 68,232	\$ 67,822
Guaranteed Minimum Income Benefits (GMIB) (c)	2,181	2,024	2,339	2,317	2,338
Guaranteed Minimum Withdrawal Benefits (GMWB) (d)	43,441	40,753	45,150	44,113	44,267
<b>Liability by benefit type (a)</b>					
GMDB (b)	\$ 357	\$ 384	\$ 364	\$ 358	\$ 333
GMIB (c)	12	13	13	12	12
GMWB (d)	2,120	2,041	1,144	1,430	1,601

- (a) Excludes assumed reinsurance business.  
(b) A guaranteed minimum death benefit is an amount paid from a variable annuity upon the death of the owner. This benefit protects beneficiaries from market volatility and may be different than the account value. This benefit may be subject to a maximum amount based on age of owner or dollar amount. "Guaranteed Minimum Death Benefits only" signifies that no other guarantees are present in the contract. Contracts with a guaranteed living benefit also have a guaranteed minimum death benefit, but a policyholder can generally only receive payout from one guaranteed feature, i.e. the features are generally mutually exclusive.  
(c) A guaranteed minimum income benefit guarantees a minimum level of periodic income payments upon annuitization.  
(d) A guaranteed minimum withdrawal benefit creates a guaranteed income stream which, within certain parameters, may continue for the life of the annuitant even if the entire contract value has been reduced to zero. The fair value of GMWB embedded derivatives is based on actuarial and capital market assumptions related to projected cash flows of rider fees and claims over the expected lives of the contracts.

The following table presents the net increase (decrease) to consolidated pre-tax income from changes in the fair value of the GMWB embedded derivatives and related hedges:

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and non-performance risk adjustment (NPA)	\$ 215	\$ (1,721)	\$ 553	\$ 373	\$ 551
Change in fair value of variable annuity hedging portfolio:					
Fixed maturity securities	96	(27)	(13)	(37)	(77)
Interest rate derivative contracts	293	377	(257)	(184)	(406)
Equity derivative contracts	(593)	724	(332)	(154)	74
Change in fair value of variable annuity hedging portfolio	(204)	1,074	(602)	(375)	(409)
Change in fair value of embedded derivatives, excluding update of actuarial assumptions and NPA, net of hedging portfolio	11	(647)	(49)	(2)	142
Change in fair value of embedded derivatives due to NPA spread	(163)	384	(168)	100	72
Change in fair value of embedded derivatives due to change in NPA volume	(13)	542	(19)	(99)	(144)
Change in fair value of embedded derivatives due to update of actuarial assumptions	-	-	38	-	-
Total change due to update of actuarial assumptions and NPA	(176)	926	(149)	1	(72)
<b>Net impact on pre-tax income (loss)</b>	<b>\$ (165)</b>	<b>\$ 279</b>	<b>\$ (198)</b>	<b>\$ (1)</b>	<b>\$ 70</b>

See accompanying notes on page 35.

**American International Group, Inc.**  
**Life and Retirement – Life Insurance Results**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Results of Operations</b>					
<b>Premiums and deposits</b>	<b>\$ 995</b>	<b>\$ 987</b>	<b>\$ 978</b>	<b>\$ 980</b>	<b>\$ 969</b>
<b>Revenues:</b>					
Premiums	\$ 395	\$ 378	\$ 379	\$ 418	\$ 379
Policy fees	373	363	141	377	377
Net investment income (loss):					
Base portfolio (2)	262	262	252	255	253
Alternative investments	11	9	11	12	21
Other yield enhancements (3)	18	16	12	15	19
Total net investment income	291	287	275	282	293
Advisory fee and other income (10)	14	17	14	15	12
<b>Total adjusted revenues</b>	<b>1,073</b>	<b>1,045</b>	<b>809</b>	<b>1,092</b>	<b>1,061</b>
<b>Benefits, losses and expenses:</b>					
Policyholder benefits and losses incurred	638	622	780	571	646
Interest credited to policyholder account balances	92	93	92	94	95
Amortization of deferred policy acquisition costs	67	61	(265)	68	86
Non deferrable insurance commissions and other (13)	12	20	27	20	22
General operating expenses	141	156	152	158	154
Interest expense	7	6	7	6	6
<b>Total benefits, losses and expenses</b>	<b>957</b>	<b>958</b>	<b>793</b>	<b>917</b>	<b>1,009</b>
<b>Adjusted pre-tax income (loss) (1)</b>	<b>\$ 116</b>	<b>\$ 87</b>	<b>\$ 16</b>	<b>\$ 175</b>	<b>\$ 52</b>
<b>Noteworthy items (pre-tax)</b>					
Annual actuarial assumption update (1)	\$ -	\$ -	\$ (63)	\$ -	\$ -
Better (worse) than expected alternative returns	4	3	5	5	15
Adjusted pre-tax income (loss) Domestic Life	96	88	10	172	57
Adjusted pre-tax income (loss) International Life	20	(1)	6	3	(5)

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.

**American International Group, Inc.**  
**Life and Retirement – Life Insurance Operating Statistics**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Gross life insurance in force, end of period:</b>					
Domestic Life	\$ 881,286	\$ 867,460	\$ 858,203	\$ 869,270	\$ 865,395
International Life	138,915	125,835	120,428	113,303	111,259
<b>Total</b>	<b>\$ 1,020,201</b>	<b>\$ 993,295</b>	<b>\$ 978,631</b>	<b>\$ 982,573</b>	<b>\$ 976,654</b>
<b>Life and A&amp;H CPPE sales (11):</b>					
Term	\$ 65	\$ 59	\$ 62	\$ 63	\$ 58
Universal life	29	36	41	42	42
Group and other life	28	10	13	16	12
Single premium and unscheduled deposits	3	4	4	3	3
A&H	-	2	3	2	3
<b>Total</b>	<b>\$ 125</b>	<b>\$ 111</b>	<b>\$ 123</b>	<b>\$ 126</b>	<b>\$ 118</b>
<b>Surrender/lapse rates (12):</b>					
Domestic Life:					
Independent distribution	4.21 %	4.12 %	4.55 %	3.66 %	3.98 %
Career distribution	5.01 %	5.16 %	5.33 %	5.24 %	5.75 %
<b>DAC/VOBA rollforward:</b>					
Balance at beginning of period	\$ 3,843	\$ 3,746	\$ 3,331	\$ 3,224	\$ 3,009
Deferrals	163	129	140	147	127
Operating amortization	(67)	(61)	265	(68)	(86)
Change from realized gains (losses)	8	(4)	3	(5)	2
Change from unrealized gains (losses)	(113)	41	11	55	160
Foreign exchange translation	7	(8)	(4)	(22)	12
<b>Balance at end of period</b>	<b>\$ 3,841</b>	<b>\$ 3,843</b>	<b>\$ 3,746</b>	<b>\$ 3,331</b>	<b>\$ 3,224</b>
<b>Reserve rollforward:</b>					
Balance at beginning of period, gross	\$ 19,719	\$ 20,058	\$ 19,647	\$ 19,706	\$ 19,424
Premiums and deposits	908	896	887	892	884
Surrenders and withdrawals	(173)	(343)	(286)	(140)	(174)
Death and other contract benefits	(143)	(119)	(140)	(110)	(96)
Subtotal	20,311	20,492	20,108	20,348	20,038
Change in fair value of underlying assets and reserve accretion, net of policy fees	(262)	(353)	(229)	(295)	(247)
Cost of funds	93	93	92	94	95
Other reserve changes	58	(501)	93	(469)	(197)
Foreign exchange translation	11	(12)	(6)	(31)	17
Balance at end of period	20,211	19,719	20,058	19,647	19,706
Reinsurance ceded	(1,238)	(1,216)	(1,232)	(1,050)	(1,061)
<b>Total insurance reserves</b>	<b>\$ 18,973</b>	<b>\$ 18,503</b>	<b>\$ 18,826</b>	<b>\$ 18,597</b>	<b>\$ 18,645</b>
Domestic Life	18,597	18,174	18,514	18,322	18,377
International Life	376	329	312	275	268
<b>Total insurance reserves</b>	<b>\$ 18,973</b>	<b>\$ 18,503</b>	<b>\$ 18,826</b>	<b>\$ 18,597</b>	<b>\$ 18,645</b>

See accompanying notes on page 35.



**American International Group, Inc.**  
**Life and Retirement – Institutional Markets Results**

(in millions)

**Results of Operations**

**Premiums and deposits (14)**

**Revenues:**

Premiums

Policy fees

Net investment income:

Base portfolio (2)

Alternative investments

Other yield enhancements (3)

Total net investment income

Advisory fee and other income

**Total adjusted revenues**

**Benefits, losses and expenses:**

Policyholder benefits and losses incurred

Interest credited to policyholder account balances

Amortization of deferred policy acquisition costs

Non deferrable insurance commissions

General operating expenses

Interest expense

**Total benefits, losses and expenses**

**Adjusted pre-tax income**

**General and separate account reserves**

Future policyholder benefits

Policyholder contract deposits

Separate account reserves

**Total general and separate account reserves**

**Noteworthy Items (pre-tax)**

Better (worse) than expected alternative returns

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Premiums and deposits (14)</b>	<b>\$ 1,112</b>	<b>\$ 848</b>	<b>\$ 69</b>	<b>\$ 652</b>	<b>\$ 1,463</b>
<b>Revenues:</b>					
Premiums	\$ 819	\$ 816	\$ 46	\$ 41	\$ 49
Policy fees	41	40	40	40	41
Net investment income:					
Base portfolio (2)	197	191	184	179	168
Alternative investments	5	5	6	6	11
Other yield enhancements (3)	9	9	8	11	8
Total net investment income	211	205	198	196	187
Advisory fee and other income	-	1	-	-	-
<b>Total adjusted revenues</b>	<b>1,071</b>	<b>1,062</b>	<b>284</b>	<b>277</b>	<b>277</b>
<b>Benefits, losses and expenses:</b>					
Policyholder benefits and losses incurred	887	896	105	92	121
Interest credited to policyholder account balances	89	92	90	84	72
Amortization of deferred policy acquisition costs	1	1	2	1	1
Non deferrable insurance commissions	8	7	7	7	7
General operating expenses	15	13	14	15	14
Interest expense	3	3	4	3	3
<b>Total benefits, losses and expenses</b>	<b>1,003</b>	<b>1,012</b>	<b>222</b>	<b>202</b>	<b>218</b>
<b>Adjusted pre-tax income</b>	<b>\$ 68</b>	<b>\$ 50</b>	<b>\$ 62</b>	<b>\$ 75</b>	<b>\$ 59</b>
<b>General and separate account reserves</b>					
Future policyholder benefits	\$ 7,468	\$ 6,694	\$ 5,899	\$ 5,887	\$ 5,890
Policyholder contract deposits	9,997	9,685	10,079	10,016	9,653
Separate account reserves	3,325	3,417	3,681	3,748	4,033
<b>Total general and separate account reserves</b>	<b>\$ 20,790</b>	<b>\$ 19,796</b>	<b>\$ 19,659</b>	<b>\$ 19,651</b>	<b>\$ 19,576</b>
<b>Noteworthy Items (pre-tax)</b>					
Better (worse) than expected alternative returns	\$ 2	\$ 2	\$ 3	\$ 2	\$ 8

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.



**American International Group, Inc.**  
**Life and Retirement – Institutional Markets Operating Statistics**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Reserve rollforward:</b>					
Balance at beginning of period, gross	\$ 19,839	\$ 19,702	\$ 19,694	\$ 19,579	\$ 18,580
Premiums and deposits (14)	1,112	848	69	652	1,463
Surrenders and withdrawals	(246)	(556)	(183)	(484)	(522)
Death and other contract benefits	(158)	(268)	(112)	(168)	(107)
Subtotal	20,547	19,726	19,468	19,579	19,414
Change in fair value of underlying assets and reserve accretion, net of policy fees	205	21	81	16	61
Cost of funds	89	92	90	84	72
Other reserve changes	(8)	-	63	15	32
Balance at end of period	20,833	19,839	19,702	19,694	19,579
Reinsurance ceded	(43)	(43)	(43)	(43)	(3)
<b>Total insurance reserves</b>	<b>\$ 20,790</b>	<b>\$ 19,796</b>	<b>\$ 19,659</b>	<b>\$ 19,651</b>	<b>\$ 19,576</b>
<b>Reserves by line of business:</b>					
Structured settlements	\$ 3,112	\$ 3,020	\$ 2,953	\$ 2,907	\$ 2,877
Pension risk transfer	5,081	4,363	3,608	3,634	3,659
Corporate and Bank-owned life insurance	4,911	4,823	4,895	4,863	4,856
Stable value wrap - separate account liability	1,013	1,181	1,376	1,458	1,734
Guaranteed investment contracts	6,673	6,409	6,827	6,789	6,450
<b>Total insurance reserves</b>	<b>\$ 20,790</b>	<b>\$ 19,796</b>	<b>\$ 19,659</b>	<b>\$ 19,651</b>	<b>\$ 19,576</b>
<b>Premiums and deposits by line of business:</b>					
Structured settlements	\$ 116	\$ 87	\$ 68	\$ 58	\$ 72
Pension risk transfer	746	761	1	43	(4)
Guaranteed investment contracts (14)	250	-	-	551	1,395
<b>Total premiums and deposits</b>	<b>\$ 1,112</b>	<b>\$ 848</b>	<b>\$ 69</b>	<b>\$ 652</b>	<b>\$ 1,463</b>
<b>Stable value wraps (401k and bank-owned life insurance) - Assets under management (a)</b>	<b>\$ 38,045</b>	<b>\$ 37,834</b>	<b>\$ 36,855</b>	<b>\$ 36,740</b>	<b>\$ 36,638</b>

(a) Comprises the notional value of stable value wrap contracts, excluding the portion included in Total insurance reserves.

See accompanying notes on page 35 and reconciliations of Non-GAAP financial measures beginning on page 48.

**American International Group, Inc.**  
**Life and Retirement Notes**

- (1) Life and Retirement Adjusted pre-tax income in 3Q18 included the net effect of adjustments to reflect the annual review and update of certain assumptions used to amortize DAC and related items for interest-sensitive products, including life and annuity spreads, mortality rates, lapse rates, fees and separate account long-term asset growth rates. The update of actuarial assumptions also included adjustments to reserves for universal life with secondary guarantees. Consolidated pre-tax income in these periods also included adjustments to the valuation of variable annuity GMWB features that are accounted for as embedded derivatives, primarily due to updated assumptions for lapses, mortality, risk margins and utilization of withdrawal benefits. Changes in the fair value of such embedded derivatives are recorded in net realized capital gains (losses) and, together with related DAC adjustments, are excluded from APTI. In the aggregate, the net effect of adjustments to reflect the review and update of actuarial assumptions for Life and Retirement products increased (decreased) APTI and pre-tax income as follows:

<i>(in millions)</i>	Life Insurance	Individual Retirement - Fixed Annuities	Individual Retirement - Variable and Index Annuities	Group Retirement	Total Life and Retirement
	3Q18	3Q18	3Q18	3Q18	3Q18
Policy fees	\$ (238)	\$ -	\$ -	\$ -	\$ (238)
Interest credited to policyholder account balances	-	9	(14)	5	-
Amortization of deferred policy acquisition costs	337	32	(78)	16	307
Policyholder benefits and claims incurred	(162)	(1)	-	(4)	(167)
<b>Adjusted pre-tax income (loss)</b>	<b>\$ (63)</b>	<b>\$ 40</b>	<b>\$ (92)</b>	<b>\$ 17</b>	<b>\$ (98)</b>
Changes in DAC related to net realized capital gains (losses)	-	-	33	2	35
Net realized capital gains (losses)	28	-	(87)	4	(55)
<b>Increase (decrease) to pre-tax income (loss)</b>	<b>\$ (35)</b>	<b>\$ 40</b>	<b>\$ (146)</b>	<b>\$ 23</b>	<b>\$ (118)</b>

- (2) Base portfolio investment income includes interest, dividends, and foreclosed real estate income, net of investment expenses and non-qualifying (economic) hedges.
- (3) Net investment income - other yield enhancements includes call and tender income, commercial mortgage loan prepayments, changes in market value of investments accounted for under the fair value option, interest received on defaulted investments (other than foreclosed real estate) and other miscellaneous investment income, including income of certain partnership entities that are required to be consolidated.
- (4) Net flows for Individual Retirement and Group Retirement. Annuity net flows represent premiums and deposits less death, surrender and other withdrawal benefits. Net flows related to mutual funds represent deposits less withdrawals. In 1Q18, two large FHLB funding agreements were issued within Individual Retirement and Group Retirement totaling \$1.3 billion. The deposits from these agreements were excluded from the net flows of Individual Retirement (\$1.1 billion) and Group Retirement (\$0.2 billion), as net flows from these funding agreements are not considered part of the metric to measure core recurring performance.
- (5) Includes incremental effect on base yield of alternative investments. Quarterly results are annualized.
- (6) Includes incremental effect on base yield of other yield enhancements. Quarterly results are annualized.
- (7) Includes return on base portfolio. Quarterly results are annualized.
- (8) Annuity surrender rates represent actual or annualized surrenders and other withdrawals as a percentage of average annuity reserves and Group Retirement mutual funds.
- (9) Life and Retirement uses reinsurance, product design and hedging to mitigate risks related to guaranteed benefits in individual annuity contracts. See Part II, Item 7. MD&A -Enterprise Risk Management – Insurance Risks – Life and Retirement Companies’ Key Risks – Variable Annuity Risk Management and Hedging Programs in our Annual Report on Form 10-K for the year ended December 31, 2018 for a discussion of our risk management related to these product features.
- (10) Life Insurance - Other income is primarily related to Laya Healthcare commission and profit sharing revenues received from insurers for distribution of their products.
- (11) Life Insurance sales are shown on a continuous payment premium equivalent (CPPE) basis. Life insurance sales include periodic premiums from new business expected to be collected over a one-year period and 10 percent of unscheduled and single premiums from new and existing policyholders. Sales of accident and health insurance represent annualized first-year premium from new policies.
- (12) Life insurance lapse rates are reported on a 90-day lag basis to include grace period processing.
- (13) Non deferrable insurance commissions and other includes risk charges related to statutory reinsurance that became effective in 2016 of certain life insurance reserves, which resulted in the release of statutory capital. The risk charges are allocated to the Life and Retirement segments on the basis of attributed common equity, consistent with the benefit from the reduced capital requirement.
- (14) 1Q18 includes deposits of \$1.4 billion of FHLB funding agreements. 2Q18 includes \$0.6 billion GIC issuance.

**American International Group, Inc.**  
**Other Operations Results**

(in millions)

**Results of Operations**

**Revenues:**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Premiums	\$ 12	\$ 10	\$ 10	\$ 13	\$ 6
Net investment income (1)	91	43	9	(6)	(1)
Other income (loss) (1)	100	129	116	162	145
Total adjusted revenues	203	182	135	169	150

**Benefits, losses and expenses:**

Policyholder benefits and losses incurred	4	15	12	6	6
Acquisition expenses:					
Amortization of deferred policy acquisition costs	4	4	3	2	1
Other acquisition expenses	1	1	-	(1)	1
Total acquisition expenses	5	5	3	1	2
General operating expenses	278	332	248	278	246
Interest expense	303	281	289	258	238
Total benefits, losses and expenses	590	633	552	543	492

**Adjusted pre-tax income (loss) before consolidation and eliminations**

Consolidation, eliminations and other adjustments	(70)	31	29	(12)	11
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**Adjusted pre-tax income (loss)**

	<b>\$ (457)</b>	<b>\$ (420)</b>	<b>\$ (388)</b>	<b>\$ (386)</b>	<b>\$ (331)</b>
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**Adjusted Pre-tax income (loss) by activities**

Parent and Other:					
Corporate general operating expenses	(183)	(207)	(182)	(184)	(153)
Interest expense	(303)	(281)	(289)	(258)	(238)
All other income (expense), net	99	37	54	68	49
Total Parent and Other	(387)	(451)	(417)	(374)	(342)
Consolidation, eliminations and other adjustments	(70)	31	29	(12)	11

**Adjusted pre-tax income (loss)**

Interest expense on attributed financial debt	(181)	(173)	(171)	(167)	(150)
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**Adjusted pre-tax income (loss) including attributed interest expense**

Income tax expense (benefit)	(28)	(109)	(62)	11	(49)
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**Adjusted after-tax income (loss)**

	<b>\$ (248)</b>	<b>\$ (138)</b>	<b>\$ (155)</b>	<b>\$ (230)</b>	<b>\$ (132)</b>
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**Noteworthy Items (pre-tax):**

Fair value changes on Fixed Maturity Securities - Other accounted under fair value option	\$ 31	\$ 99	\$ 9	\$ 42	\$ 46
Changes in the fair value of Equity Securities - Other	-	(14)	9	1	11
<b>Parent Liquidity Portfolio Information:</b>					
Earnings on Parent liquidity portfolio	\$ 24	\$ 20	\$ 29	\$ 41	\$ 31
Interest expense, net of portion allocated to segments	(122)	(108)	(118)	(90)	(88)
Net interest expense on Parent liquidity portfolio	\$ (98)	\$ (88)	\$ (89)	\$ (49)	\$ (57)

See accompanying notes on page 37 and reconciliations of Non-GAAP financial measures beginning on page 48.

**American International Group, Inc.**  
**Other Operations Notes**

- (1) Beginning in the first quarter of 2019, on a prospective basis, within Legacy and Other Operations, investment income from our non-insurance subsidiaries is reported in Net investment income instead of Other income to align reporting with General Insurance and Life and Retirement reporting segments. The following table reflects the impact of this reclassification for all prior periods (on a pre-tax basis):

*(in millions)*

	Quarterly					Full Year
	1Q19	4Q18	3Q18	2Q18	1Q18	2018
Net investment income	\$ 48	\$ 42	\$ 26	\$ 57	\$ 40	\$ 165
Other income	(48)	(42)	(26)	(57)	(40)	(165)

**American International Group, Inc.**  
**Legacy Portfolio Results**

(in millions)

**Results of Operations**

**Revenues:**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Premiums	\$ 118	\$ 74	\$ 131	\$ 134	\$ 141
Policy Fees	30	28	30	32	30
Net investment income (1)	575	527	610	623	565
Other income (loss) (1)	(17)	(21)	43	(8)	100
Total adjusted revenues	706	608	814	781	836

**Benefits, losses and expenses:**

Policyholder benefits and losses incurred	432	553	545	453	506
Interest credited to policyholder account balances	54	57	57	63	59
Acquisition expenses:					
Amortization of deferred policy acquisition costs	18	43	25	19	18
Other acquisition expenses	3	(1)	1	-	1
Total acquisition expenses	21	42	26	19	19
Non deferrable insurance commissions	4	5	4	4	5
General operating expenses	78	94	91	100	94
Interest expense (2)	5	7	7	8	8
Total benefits, losses and expenses	594	758	730	647	691

**Adjusted pre-tax income (loss)**

<b>\$ 112</b>	<b>\$ (150)</b>	<b>\$ 84</b>	<b>\$ 134</b>	<b>\$ 145</b>
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**Adjusted pre-tax income (loss) by type**

General Insurance run-off lines	15	7	(37)	44	62
Life and Retirement run-off lines	87	(137)	68	58	28
Legacy investments	10	(20)	53	32	55

**Adjusted pre-tax income (loss)**

<b>\$ 112</b>	<b>\$ (150)</b>	<b>\$ 84</b>	<b>\$ 134</b>	<b>\$ 145</b>
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Interest expense on attributed financial debt	-	-	-	-	10
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**Adjusted pre-tax income (loss) including attributed interest expense**

<b>112</b>	<b>(150)</b>	<b>84</b>	<b>134</b>	<b>135</b>
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Income tax expense (benefit)	23	(31)	18	27	29
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**Adjusted after-tax income (loss) (a)**

<b>\$ 89</b>	<b>\$ (119)</b>	<b>\$ 66</b>	<b>\$ 107</b>	<b>\$ 106</b>
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Ending adjusted attributed common equity	\$ 7,450	\$ 8,886	\$ 8,811	\$ 9,267	\$ 9,246
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Average adjusted attributed common equity (b) *	8,168	8,849	9,039	9,257	9,265
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Adjusted return on attributed common equity (a÷b)	4.4 %	(5.4) %	2.9 %	4.6 %	4.6 %
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\* See accompanying notes to Adjusted Attributed Common Equity on page 53.

See accompanying notes on page 42 and reconciliations of Non-GAAP financial measures beginning on page 48.



**American International Group, Inc.**  
**Legacy Portfolio Results (continued)**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Noteworthy Items (pre-tax)</b>					
Catastrophe losses, net of reinsurance	\$ -	\$ (28)	\$ 57	\$ -	\$ -
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(2)	2	(2)	(2)	(2)
Annual actuarial assumption update (3)	-	(105)	(5)	-	-
Better (worse) than expected alternative returns	11	(49)	19	(4)	-
Better (worse) than expected DIB and GCM returns	(5)	(31)	15	(19)	37
Fair value changes on Fixed Maturity Securities - Other accounted under fair value option (4)	48	109	41	63	34
Changes in the fair value of Equity Securities - Other	-	(5)	1	(2)	2
<b>Selected Balance Sheet Data</b>					
Legacy investments, net of related debt	\$ 2,548	\$ 2,529	\$ 2,512	\$ 2,834	\$ 2,779
Legacy General Insurance run-off reserves (5)	5,432	5,498	5,738	5,806	5,926
Legacy Life and Retirement run-off reserves	37,262	36,614	36,929	37,348	37,793

*See accompanying notes on page 42 and reconciliations of Non-GAAP financial measures beginning on page 48.*

**American International Group, Inc.**  
**Legacy General Insurance Run-off Lines**

(in millions)

**Results of Operations**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Net premiums earned	\$ 4	\$ (34)	\$ 24	\$ 21	\$ 18
Losses and loss adjustment expenses incurred (6)	15	(2)	103	34	17
Total acquisition expenses	3	-	3	1	3
General operating expenses	15	18	10	12	8
Underwriting income (loss)	(29)	(50)	(92)	(26)	(10)
Net investment income	44	57	55	70	72
<b>Adjusted pre-tax income (loss)</b>	<b>\$ 15</b>	<b>\$ 7</b>	<b>\$ (37)</b>	<b>\$ 44</b>	<b>\$ 62</b>
<b>Noteworthy Items (pre-tax)</b>					
Catastrophe-related losses, net of reinsurance	\$ -	\$ (28)	\$ 57	\$ -	\$ -
Prior year loss reserve development (favorable) unfavorable, net of reinsurance and premium adjustments	(2)	2	(2)	(2)	(2)
Net liability for unpaid losses and loss adjustment expenses (at period end) (5)	5,432	5,498	5,738	5,806	5,926

*See accompanying notes on page 42 and reconciliations of Non-GAAP financial measures beginning on page 48.*

**American International Group, Inc.**  
**Legacy Life and Retirement Run-off Lines**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Results of Operations</b>					
<b>Premiums and deposits</b>	\$ 166	\$ 145	\$ 205	\$ 153	\$ 225
<b>Revenues:</b>					
Premiums	\$ 113	\$ 107	\$ 107	\$ 115	\$ 122
Policy fees	30	28	30	32	30
Net investment income:					
Base portfolio	406	410	432	413	421
Alternative investments	45	(14)	61	37	47
Other yield enhancements	35	36	14	23	22
Total net investment income	486	432	507	473	490
Other income	1	-	-	1	-
<b>Total adjusted revenues</b>	<b>630</b>	<b>567</b>	<b>644</b>	<b>621</b>	<b>642</b>
<b>Benefits, losses and expenses:</b>					
Policyholder benefits and losses incurred	418	555	441	427	482
Interest credited to policyholder account balances	54	57	57	63	59
Amortization of deferred policy acquisition costs	18	42	24	18	17
Non deferrable insurance commissions	4	5	4	4	5
General operating expenses	47	43	48	48	49
Interest expense	2	2	2	3	2
<b>Total benefits, losses and expenses</b>	<b>543</b>	<b>704</b>	<b>576</b>	<b>563</b>	<b>614</b>
<b>Adjusted pre-tax income (loss)</b>	<b>\$ 87</b>	<b>\$ (137)</b>	<b>\$ 68</b>	<b>\$ 58</b>	<b>\$ 28</b>
<b>Noteworthy items (pre-tax)</b>					
Future policy benefits for life and A&H contracts (at period end)	\$ 30,090	\$ 29,465	\$ 29,604	\$ 30,018	\$ 30,355
Policyholder contract deposits	5,205	5,262	5,321	5,399	5,483
Separate account reserves	1,967	1,887	2,004	1,931	1,955
Total general and separate account reserves	\$ 37,262	\$ 36,614	\$ 36,929	\$ 37,348	\$ 37,793
Annual actuarial assumption update	\$ -	\$ (105)	\$ (5)	\$ -	\$ -

See reconciliations of Non-GAAP financial measures beginning on page 48.



**American International Group, Inc.**  
**Legacy Portfolio Notes**

- (1) Beginning in the first quarter of 2019, on a prospective basis, within Legacy and Other Operations, investment income from our non-insurance subsidiaries is reported in Net investment income instead of Other income to align reporting with General Insurance and Life and Retirement reporting segments. The following table reflects the impact of this reclassification for all prior periods (on a pre-tax basis):

*(in millions)*

	Quarterly					Full Year
	1Q19	4Q18	3Q18	2Q18	1Q18	2018
Net investment income	\$ 23	\$ (6)	\$ 57	\$ 6	\$ 106	\$ 163
Net realized capital gain (loss)	-	(2)	(2)	(5)	(2)	(11)
Other income	(23)	8	(55)	(1)	(104)	(152)

- (2) Includes inter-segment interest expenses.
- (3) In addition to the third quarter annual assumption update, the life companies refined assumptions and models on the Legacy Life and Retirement Run-Off Lines during the fourth quarter of 2018 resulting in loss recognition of \$105 million.
- (4) Includes the fair value changes on DIB and GCM asset portfolios.
- (5) Includes a portion of reserves related to certain long-duration business in Japan, which is recorded in other policyholder funds on our Consolidated Balance Sheets.
- (6) Consistent with our definition of APTI, excludes net loss reserve discount and the portion of favorable or unfavorable prior year reserve development for which we have ceded the risk under retroactive reinsurance agreements and related amortization of the deferred gain.

**American International Group, Inc.**  
**Investments Portfolio Results**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Fixed Maturity Securities- AFS, at fair value</b>					
Yield (1)	4.57%	4.49%	4.70%	4.54%	4.63%
Investment income (2)	\$ 2,594	\$ 2,546	\$ 2,650	\$ 2,547	\$ 2,609
Net realized capital gains (losses)	(114)	(247)	(23)	(50)	(76)
Ending carrying value (3)	238,201	229,391	232,720	228,673	233,914
Amortized cost	228,608	225,780	228,047	223,080	225,352
<b>Fixed Maturity Securities- Other, at fair value (4)</b>					
Total Return (1)	6.61%	8.01%	4.47%	4.39%	4.49%
Investment income (loss) (2)	\$ 166	\$ 200	\$ 121	\$ 117	\$ 124
Ending carrying value (5) (6)	10,060	10,026	9,996	10,342	10,913
<b>Equity Securities- AFS, at fair value</b>					
Net realized capital gains (losses)	\$ -	\$ -	\$ -	\$ -	\$ 16
<b>Equity Securities- Other, at fair value (4)</b>					
Investment income (2)	\$ -	\$ (143)	\$ (13)	\$ 3	\$ (31)
Ending carrying value	-	1,254	1,443	1,675	1,725
<b>Mortgage and other loans receivable</b>					
Yield (1)	4.58%	4.95%	4.46%	4.58%	4.79%
Investment income (2)	\$ 498	\$ 526	\$ 456	\$ 449	\$ 452
Net realized capital gains (losses)	(32)	(40)	(99)	(28)	(24)
Ending carrying value	43,834	43,135	41,878	39,978	38,540
<b>Other Invested Assets:</b>					
<b>Other invested assets - Hedge Funds/Private Equity (8)</b>					
Yield (1)	18.64%	-10.99%	12.48%	5.08%	11.51%
Investment income (2)	\$ 393	\$ (245)	\$ 301	\$ 131	\$ 299
Net realized capital gains (losses)	(1)	24	(231)	-	-
Ending carrying value	8,319	8,528	9,221	10,030	10,642
<b>Other invested assets - Real Estate investments</b>					
Yield (1)	3.05%	5.81%	4.33%	1.73%	1.67%
Investment income (2)	\$ 69	\$ 129	\$ 96	\$ 38	\$ 35
Net realized capital gains (losses)	(19)	(4)	48	(54)	(6)
Ending carrying value	9,204	8,935	8,819	8,879	8,637
<b>Other invested assets - All other (9)</b>					
Investment income (2) (7)	\$ 41	\$ 64	\$ 17	\$ 43	\$ 54
Net realized capital gains (losses)	-	8	-	-	97
Ending carrying value	1,820	1,878	1,699	1,739	1,904
<b>Other Invested Assets - Total</b>	<b>\$ 19,343</b>	<b>\$ 19,341</b>	<b>\$ 19,739</b>	<b>\$ 20,648</b>	<b>\$ 21,183</b>
<b>Short-term Investments</b>					
Yield (1)	1.85%	1.21%	0.77%	0.67%	0.91%
Investment income (2)	\$ 48	\$ 28	\$ 25	\$ 27	\$ 28
Ending carrying value	11,133	9,674	8,863	17,010	14,616
<b>Total AIG</b>					
<b>Total Investments (5)</b>	<b>\$ 322,571</b>	<b>\$ 312,821</b>	<b>\$ 314,639</b>	<b>\$ 318,326</b>	<b>\$ 320,891</b>
<b>Total Investment Expenses</b>	<b>\$ 114</b>	<b>\$ 128</b>	<b>\$ 115</b>	<b>\$ 126</b>	<b>\$ 120</b>
<b>Total Gross Investment Income (2)</b>	<b>\$ 3,809</b>	<b>\$ 3,105</b>	<b>\$ 3,653</b>	<b>\$ 3,355</b>	<b>\$ 3,570</b>

See accompanying notes on page 44.



## American International Group, Inc. Investments Portfolio Results (Cont.)

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Total Gross Investment Income - APTI basis</b>	<b>\$ 3,809</b>	<b>\$ 3,105</b>	<b>\$ 3,653</b>	<b>\$ 3,355</b>	<b>\$ 3,570</b>
Investment expenses	114	128	115	126	120
Investment income from non-insurance subsidiaries reported in other income and other (10) (11)	(23)	164	100	100	102
<b>Total Insurance Company Net Investment Income</b>	<b>\$ 3,718</b>	<b>\$ 2,813</b>	<b>\$ 3,438</b>	<b>\$ 3,129</b>	<b>\$ 3,348</b>
<b>Breakdown by Segment:</b>					
General Insurance	1,089	349	901	657	761
Life and Retirement	2,042	1,921	1,960	1,995	2,046
Legacy Portfolio	575	527	610	623	565
Other Operations	91	43	9	(6)	(1)
Consolidations and Eliminations (10)	(79)	(27)	(42)	(140)	(23)
<b>Total Insurance Company Net Investment Income</b>	<b>\$ 3,718</b>	<b>\$ 2,813</b>	<b>\$ 3,438</b>	<b>\$ 3,129</b>	<b>\$ 3,348</b>
<b>Reconciliation to GAAP Net Investment Income:</b>					
Add: Changes in fair value of securities used to hedge guaranteed living benefits (10)	105	(1)	(14)	(36)	(77)
Add: Changes in the fair value of equity securities	79	-	-	-	-
Subtract: Net realized capital gains (losses) related to economic hedges and other	23	58	28	28	10
<b>Net Investment Income per Consolidated Statement of Operations</b>	<b>\$ 3,879</b>	<b>\$ 2,754</b>	<b>\$ 3,396</b>	<b>\$ 3,065</b>	<b>\$ 3,261</b>

### Notes to Investments Portfolio Results

- (1) Yields/Total Return are calculated using quarterly annualized investment income divided by the average quarterly asset amortized cost for the interim periods.
- (2) For 4Q18 and prior periods, investment income includes amounts recorded in net investment income by our insurance subsidiaries and amounts recorded in other income by our non-insurance subsidiaries. Beginning 1Q19, investment income represents amounts recorded in net investment income by our insurance and non-insurance subsidiaries.
- (3) As of March 31, 2019, our Fixed Maturity securities - AFS portfolio was approximately 80% fixed rate and 20% variable rate.
- (4) Fixed Maturity Securities - Other are securities for which we elected the fair value option. For Fixed Maturity Securities - Other and Equity Securities - Other, changes in the fair value of these securities are reported through investment income, which can result in significant fluctuation in the total return. Beginning in 1Q19, changes in the fair value of equity securities are excluded from APTI.
- (5) Excludes the carrying value of securities used to hedge guaranteed living benefits.
- (6) As of March 31, 2019, our Fixed Maturity securities - Other portfolio was approximately 41% fixed rate and 59% variable rate.
- (7) Includes Arch convertible non-voting common-equivalent preferred shares, which were fully sold in 1Q18.
- (8) Other Invested Assets - Hedge Funds/Private Equity includes investments accounted for under the equity method of accounting, where changes in our share of the net asset values are recorded through investment income or investments where we have elected the fair value option, where changes in the fair value are reported through investment income.
- (9) Other Invested Assets - All Other includes long term time deposits, private common stock, affordable housing partnerships, aircraft assets, and our life settlement portfolio, of which we sold the remaining portion during 4Q17. Due to the mix of investments included within this line item and their varied performance, annualized yield is not meaningful and therefore is not presented.
- (10) 4Q18 includes an adjustment totaling \$17 million of which \$9 million and \$8 million related to 3Q18 and 2Q18, respectively.
- (11) Beginning in 1Q19, on a prospective basis, we began reporting investment income from our non-insurance subsidiaries in Net Investment income in Other Operations. Therefore, 1Q19 represents only the net realized capital gains (losses) related to economic hedges and other that is not included in Gross Investment Income - APTI.

**American International Group, Inc.**  
**Investments – Net Realized Capital Gains (Losses)**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Sales of fixed maturity securities	\$ (31)	\$ (153)	\$ 11	\$ (13)	\$ 10
Sales of equity securities	-	-	-	-	16
<b>Other-than-temporary impairments:</b>					
Change in intent	(3)	(35)	(3)	-	(49)
Foreign currency declines	(6)	(2)	(1)	(6)	(6)
Issuer-specific credit events	(71)	(55)	(30)	(30)	(32)
Adverse projected cash flows	(3)	(1)	(1)	-	-
Total other-than-temporary impairments	(83)	(93)	(35)	(36)	(87)
Provision for loan losses	(24)	(19)	(23)	(26)	(24)
Foreign exchange transactions	(37)	(27)	(21)	(187)	53
Variable annuity embedded derivatives, net of related hedges	(261)	306	(185)	36	147
All other derivatives and hedge accounting	(72)	189	(1)	375	(225)
Loss on sale of private equity funds	-	(10)	(311)	-	-
Other*	62	42	54	16	91
<b>Total net realized capital gains (losses)</b>	<b>\$ (446)</b>	<b>\$ 235</b>	<b>\$ (511)</b>	<b>\$ 165</b>	<b>\$ (19)</b>

\*2Q18 included a \$48 million gain on the sale of our investment in Castle Holding, LLC's aircraft assets.

**American International Group, Inc.**  
**Prior Year Development by Segment and Accident Year**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>General Insurance</b>					
North America					
Commercial Lines	\$ (69)	\$ 326	\$ (14)	\$ (95)	\$ (136)
Personal Insurance	9	-	148	41	58
Total North America	(60)	326	134	(54)	(78)
International					
Commercial Lines	41	74	68	(8)	(1)
Personal Insurance	(53)	(37)	(30)	1	(29)
Total International	(12)	37	38	(7)	(30)
<b>Total General Insurance</b>	<b>(72)</b>	<b>363</b>	<b>172</b>	<b>(61)</b>	<b>(108)</b>
<b>Legacy Portfolio</b>	<b>(2)</b>	<b>2</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>
<b>Total prior year unfavorable (favorable) development*</b>	<b>\$ (74)</b>	<b>\$ 365</b>	<b>\$ 170</b>	<b>\$ (63)</b>	<b>\$ (110)</b>
(Additional) return premium related to prior year development on loss sensitive business	\$ 10	\$ 13	\$ 32	\$ 11	\$ 4

\* Includes the amortization attributed to the deferred gain at inception from the National Indemnity Company (NICO) adverse development reinsurance agreements of \$58 million, \$57 million, \$57 million, \$57 million, and \$62 million for the three months ended March 31, 2019, December 31, September 30, June 30, and March 31, 2018, respectively. Consistent with our definition of APTI, prior year development excludes the portion of (favorable)/unfavorable prior year reserve development for which we have ceded the risk under the NICO reinsurance agreements of \$2 million, \$122 million, \$722 million, \$(19) million, and \$9 million for the three months ended March 31, 2019, December 31, September 30, June 30, and March 31, 2018, respectively, and related changes in amortization of the deferred gain of \$28 million, \$54 million, \$118 million, \$13 million, and \$(23) million for those same periods.

**Prior year development by accident year:**

Accident Year	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
2018	\$ (76)	\$ -	\$ -	\$ -	\$ -
2017	5	103	(9)	39	(17)
2016	5	202	73	(15)	(60)
2015	50	26	(59)	(36)	(4)
2014	(17)	19	(28)	(98)	(14)
2013	-	(46)	(7)	(27)	(3)
2012	(11)	5	31	(74)	(9)
2011	(2)	25	18	(23)	(8)
2010	(2)	(14)	(7)	(14)	(3)
2009 and prior	(26)	(25)	31	-	(1)
<b>Total prior year unfavorable (favorable) development*</b>	<b>\$ (74)</b>	<b>\$ 365</b>	<b>\$ 170</b>	<b>\$ (63)</b>	<b>\$ (110)</b>

\* Favorable prior year development during the three months ended March 31, 2019 is largely driven from the Adverse Development Cover amortization with additional favorable development in Property, Specialty and International Personal lines partially offset by Excess Casualty in UK Europe and North America. The favorable development in accident year 2018 was driven by Property and International Personal Lines while the adverse development in accident year 2015 was driven by Excess Casualty in UK/Europe and North America. The favorable development in the accident years 2014 and prior years was mainly driven by the Adverse Development Cover amortization.

**American International Group, Inc.**  
**Adverse Development Cover**

On January 20, 2017, we entered into an adverse development reinsurance agreement with NICO under which we transferred to NICO 80 percent of the reserve risk on substantially all of our U.S. Commercial long-tail exposures for accident years 2015 and prior.

The table below shows the calculation of the gain on the NICO adverse development reinsurance agreement showing the effect of discounting of loss reserves and amortization of the deferred gain. The deferred gain is amortized over the settlement period of the reinsured losses.

(in millions)	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	1Q19 Change
<b>Gross Covered Losses</b>						
Covered reserves before discount	\$ 22,071	\$ 23,033	\$ 24,102	\$ 24,374	\$ 25,700	\$ (962)
Inception to date losses paid	20,295	19,331	18,234	17,058	15,751	964
Attachment point	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	-
<b>Covered losses above attachment point</b>	<b>\$ 17,366</b>	<b>\$ 17,364</b>	<b>\$ 17,336</b>	<b>\$ 16,432</b>	<b>\$ 16,451</b>	<b>\$ 2</b>
<b>Deferred Gain Development</b>						
Covered losses above attachment ceded to NICO (80%)	\$ 13,893	\$ 13,891	\$ 13,869	\$ 13,146	\$ 13,161	\$ 2
Consideration paid including interest	(10,188)	(10,188)	(10,188)	(10,188)	(10,188)	-
<b>Pre-tax deferred gain before discount and amortization</b>	<b>3,705</b>	<b>3,703</b>	<b>3,681</b>	<b>2,958</b>	<b>2,973</b>	<b>2</b>
Discount on ceded losses	(1,412)	(1,719)	(1,693)	(1,647)	(1,667)	307
Pre-tax deferred gain before amortization	2,293	1,984	1,988	1,311	1,306	309
Inception to date amortization attributed to deferred gain at inception	(519)	(461)	(404)	(347)	(290)	(58)
Inception to date amortization attributed to changes in deferred gain*	(161)	(141)	(116)	(7)	(3)	(20)
<b>Deferred gain liability reflected in AIG's balance sheet</b>	<b>\$ 1,613</b>	<b>\$ 1,382</b>	<b>\$ 1,468</b>	<b>\$ 957</b>	<b>\$ 1,013</b>	<b>\$ 231</b>

**Prior Year Development, Net of Reinsurance and Deferred Gain Amortization**

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
Unfavorable (favorable) prior year development on covered reserves before retroactive reinsurance and deferred gain amortization	\$ 2	\$ 28	\$ 904	\$ (19)	\$ 9
Prior year development ceded to NICO	(2)	(22)	(723)	15	(8)
<b>Subtotal</b>	<b>-</b>	<b>6</b>	<b>181</b>	<b>(4)</b>	<b>1</b>
Amortization attributed to deferred gain at inception	(58)	(57)	(57)	(57)	(62)
<b>Unfavorable (favorable) prior year development on covered reserves, net of reinsurance and deferred gain amortization</b>	<b>(58)</b>	<b>(51)</b>	<b>124</b>	<b>(61)</b>	<b>(61)</b>
Unfavorable (favorable) prior year development on non-covered reserves	(16)	416	46	(2)	(49)
<b>Total unfavorable (favorable) prior year development, net of reinsurance and deferred gain amortization</b>	<b>\$ (74)</b>	<b>\$ 365</b>	<b>\$ 170</b>	<b>\$ (63)</b>	<b>\$ (110)</b>

\* Excluded from our definition of APTI.

**Selected Balance Sheet data for ADC**

	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
Reinsurance recoverable reported in Reinsurance assets, net of allowance	\$ 12,481	\$ 12,172	\$ 12,176	\$ 11,499	\$ 11,494
Ceded reserves reported in Liability for unpaid losses and loss adjustment expenses	12,481	12,172	12,176	11,499	11,494
Deferred gain reported in Other liabilities	1,613	1,382	1,468	957	1,013



**American International Group, Inc.**  
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**American International Group, Inc.**  
**Earnings Per Share Computations**

(in millions)	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>GAAP Basis:</b>					
<b>Numerator for EPS:</b>					
Income (loss) from continuing operations	\$ 937	\$ (558)	\$ (1,220)	\$ 931	\$ 950
Less: Net income (loss) from continuing operations attributable to noncontrolling interests	283	62	-	(6)	11
Income (loss) attributable to AIG common shareholders from continuing operations	654	(620)	(1,220)	937	939
Income (loss) from discontinued operations, net of income tax expense	-	(2)	(39)	-	(1)
Net income (loss) attributable to AIG common shareholders	\$ 654	\$ (622)	\$ (1,259)	\$ 937	\$ 938
<b>Denominator for EPS:</b>					
Weighted average common shares outstanding - basic*	875.4	887.5	895.2	903.2	908.0
Dilutive shares**	2.1	-	-	13.4	17.3
Weighted average common shares outstanding - diluted**	877.5	887.5	895.2	916.6	925.3
<b>Income per common share attributable to AIG:</b>					
Basic:					
Income (loss) from continuing operations	\$ 0.75	\$ (0.70)	\$ (1.37)	\$ 1.04	\$ 1.03
Income (loss) from discontinued operations	-	-	(0.04)	-	-
Net income (loss) attributable to AIG	\$ 0.75	\$ (0.70)	\$ (1.41)	\$ 1.04	\$ 1.03
Diluted**:					
Income (loss) from continuing operations	\$ 0.75	\$ (0.70)	\$ (1.37)	\$ 1.02	\$ 1.01
Income (loss) from discontinued operations	-	-	(0.04)	-	-
Net income (loss) attributable to AIG	\$ 0.75	\$ (0.70)	\$ (1.41)	\$ 1.02	\$ 1.01

\* Includes vested shares under our share-based employee compensation plans.

\*\* For the periods where we reported a net loss attributable to AIG common shareholders from continuing operations, all common stock equivalents are anti-dilutive and are therefore excluded from the calculation of diluted shares and diluted per share amounts. The shares excluded from the diluted EPS calculation were 2,732,679 shares and 13,538,168 shares in 4Q18 and 3Q18, respectively.



**American International Group, Inc.**  
**Reconciliation of Book Value Per Common Share and Return On Common Equity**

(in millions, except per common share data)

<b>Book Value Per Common Share</b>	<b>Quarterly</b>				
	<b>1Q19</b>	<b>4Q18</b>	<b>3Q18</b>	<b>2Q18</b>	<b>1Q18</b>
Total AIG shareholders' equity	\$ 60,787	\$ 56,361	\$ 58,586	\$ 61,186	\$ 62,792
Less: Preferred equity	485	-	-	-	-
Total AIG common shareholders' equity (a)	60,302	56,361	58,586	61,186	62,792
Less: Accumulated other comprehensive income (AOCI)	2,128	(1,413)	(536)	230	2,220
Total AIG common shareholders' equity, excluding AOCI (b)	58,174	57,774	59,122	60,956	60,572
Less: Deferred tax assets (DTA)*	9,926	10,153	9,953	9,853	10,214
Total adjusted common shareholders' equity (c)	48,248	47,621	49,169	51,103	50,358
Total common shares outstanding (d)	869.7	866.6	884.6	891.2	897.7
Book value per common share (a÷d)	\$ 69.33	\$ 65.04	\$ 66.23	\$ 68.65	\$ 69.95
Book value per common share, excluding AOCI (b÷d)	66.89	66.67	66.83	68.40	67.48
Adjusted book value per common share (c÷d)	55.47	54.95	55.58	57.34	56.10

<b>Return On Common Equity (ROCE) Computations</b>	<b>Quarterly</b>				
	<b>1Q19</b>	<b>4Q18</b>	<b>3Q18</b>	<b>2Q18</b>	<b>1Q18</b>
Actual or Annualized net income (loss) attributable to AIG (a)	\$ 2,616	\$ (2,488)	\$ (5,036)	\$ 3,748	\$ 3,752
Actual or Annualized adjusted after-tax income (loss) attributable to AIG (b)	\$ 5,552	\$ (2,236)	\$ (1,204)	\$ 3,844	\$ 3,852
Average AIG Common Shareholders' equity (c)	\$ 58,332	\$ 57,474	\$ 59,886	\$ 61,989	\$ 63,982
Less: Average AOCI	358	(975)	(153)	1,225	3,843
Less: Average DTA	10,040	10,053	9,903	10,034	10,353
<b>Average adjusted common shareholders' equity (d)</b>	<b>\$ 47,934</b>	<b>\$ 48,396</b>	<b>\$ 50,136</b>	<b>\$ 50,730</b>	<b>\$ 49,786</b>
ROCE (a÷c)	4.5%	(4.3%)	(8.4%)	6.0%	5.9%
Adjusted return on common equity (b÷d)	11.6%	(4.6%)	(2.4%)	7.6%	7.7%

\* Represents deferred tax assets only related to U.S. net operating loss and foreign tax credit carryforwards on a U.S. GAAP basis and excludes other balance sheet deferred tax assets and liabilities.

**American International Group, Inc.**  
**Reconciliation of Adjusted Pre-tax and After-tax Income – Consolidated**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Pre-tax income (loss) from continuing operations</b>	\$ 1,154	\$ (695)	\$ (1,527)	\$ 1,252	\$ 1,227
<b>Adjustments to arrive at Adjusted pre-tax income (loss)</b>					
Changes in fair value of securities used to hedge guaranteed living benefits	(96)	27	14	36	77
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(99)	40	(76)	(1)	31
Changes in the fair value of equity securities	(79)	-	-	-	-
Loss (gain) on extinguishment of debt	(2)	(3)	1	5	4
Net realized capital (gains) losses (a)	474	(195)	524	(155)	19
(Income) loss from divested businesses	(6)	(3)	(2)	(25)	(8)
Non-operating litigation reserves and settlements	1	(11)	5	12	13
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(27)	68	605	(32)	34
Net loss reserve discount (benefit) charge	473	(66)	(86)	(14)	(205)
Integration and transaction costs associated with acquired businesses	7	33	91	-	-
Restructuring and other costs	47	136	35	200	24
<b>Adjusted pre-tax income (loss)</b>	<b>\$ 1,847</b>	<b>\$ (669)</b>	<b>\$ (416)</b>	<b>\$ 1,278</b>	<b>\$ 1,216</b>
<b>After-tax net income (loss), including noncontrolling interest</b>					
Noncontrolling interest (income) loss	(283)	(62)	-	6	(11)
<b>Net income (loss) attributable to AIG</b>	<b>\$ 654</b>	<b>\$ (622)</b>	<b>\$ (1,259)</b>	<b>\$ 937</b>	<b>\$ 938</b>
<b>Adjustments to arrive at Adjusted after-tax income (loss) (amounts net of tax, at U.S. statutory tax rate for each respective period, except where noted):</b>					
Changes in uncertain tax positions and other tax adjustments	(12)	(5)	54	3	(4)
Deferred income tax valuation allowance (releases) charges	(38)	(21)	5	7	30
Changes in fair value of securities used to hedge guaranteed living benefits	(76)	22	11	28	61
Changes in benefit reserves and DAC, VOBA and SIA related to net realized capital gains (losses)	(78)	33	(60)	(1)	25
Changes in the fair value of equity securities	(62)	-	-	-	-
Loss (gain) on extinguishment of debt	(1)	(2)	1	4	3
Net realized capital (gains) losses (a)(b)	365	(139)	397	(126)	20
(Income) loss from discontinued operations and divested businesses (b)	(5)	(1)	38	(20)	(5)
Non-operating litigation reserves and settlements	-	(8)	3	10	10
Unfavorable (favorable) prior year development and related amortization changes ceded under retroactive reinsurance agreements	(22)	54	477	(25)	27
Net loss reserve discount (benefit) charge	374	(51)	(68)	(11)	(162)
Integration and transaction costs associated with acquired businesses	5	26	72	-	-
Restructuring and other costs	37	107	29	157	19
Noncontrolling interest primarily related to net realized capital gains (losses) of Fortitude Holdings' standalone results (c)	247	48	(1)	(2)	1
<b>Adjusted after-tax income (loss)</b>	<b>\$ 1,388</b>	<b>\$ (559)</b>	<b>\$ (301)</b>	<b>\$ 961</b>	<b>\$ 963</b>
<b>Calculation of Effective Tax Rates</b>					
Adjusted pre-tax income (loss)	\$ 1,847	\$ (669)	\$ (416)	\$ 1,278	\$ 1,216
Income tax benefit (expense)	(423)	124	116	(321)	(243)
Noncontrolling interest	(36)	(14)	(1)	4	(10)
<b>Adjusted after-tax income (loss)</b>	<b>\$ 1,388</b>	<b>\$ (559)</b>	<b>\$ (301)</b>	<b>\$ 961</b>	<b>\$ 963</b>
<b>Effective tax rates on adjusted pre-tax income (loss)</b>	<b>22.9%</b>	<b>18.5%</b>	<b>27.9%</b>	<b>25.1%</b>	<b>20.0%</b>

(a) Includes all net realized capital gains and losses except earned income (periodic settlements and changes in settlement accruals) on derivative instruments used for non-qualifying (economic) hedging or for asset replication.

(b) Includes the impact of non-U.S. tax rates which differ from the applicable U.S. statutory tax rate and tax-only adjustments.

(c) See accompanying notes on page 12.



**American International Group, Inc.**  
**Reconciliation of Adjusted Pre-tax and After-tax Income – Core**

**Total Core**

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Adjusted pre-tax income (loss)</b>	\$ 1,735	\$ (519)	\$ (500)	\$ 1,144	\$ 1,071
Interest expense (benefit) on attributed financial debt	-	-	-	-	(10)
<b>Adjusted pre-tax income (loss) including attributed interest expenses:</b>	1,735	(519)	(500)	1,144	1,081
Income tax expense (benefit)	400	(93)	(134)	294	214
<b>Adjusted after-tax income (loss) (a)</b>	<b>\$ 1,335</b>	<b>\$ (426)</b>	<b>\$ (366)</b>	<b>\$ 850</b>	<b>\$ 867</b>
<b>Ending adjusted attributed common equity</b>	\$ 40,798	\$ 38,735	\$ 40,358	\$ 41,836	\$ 41,112
<b>Average adjusted attributed common equity (b)*</b>	39,767	39,547	41,097	41,474	40,522
<b>Adjusted return on attributed common equity (a÷b)</b>	13.4 %	(4.3) %	(3.6) %	8.2 %	8.6 %

\* See accompanying notes to Adjusted Attributed Common Equity on page 53.

**American International Group, Inc.**  
**Attributed Debt and Adjusted Attributed Common Equity by Segment\***

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b><u>Attributed Debt (a)</u></b>					
General Insurance	\$ 13,519	\$ 13,498	\$ 14,322	\$ 12,862	\$ 12,862
Life and Retirement	3,918	2,830	2,830	2,830	2,830
Other Operations	6,873	7,406	7,168	7,748	7,943
<b>Total Core</b>	<b>24,310</b>	<b>23,734</b>	<b>24,320</b>	<b>23,440</b>	<b>23,635</b>
<b>Total Attributed Debt</b>	<b>\$ 24,310</b>	<b>\$ 23,734</b>	<b>\$ 24,320</b>	<b>\$ 23,440</b>	<b>\$ 23,635</b>
<b><u>Consolidated Attributed Debt</u></b>					
Total Financial debt	\$ 22,765	\$ 22,186	\$ 22,768	\$ 21,886	\$ 22,043
Hybrid debt securities - junior subordinated debt	1,545	1,548	1,552	1,554	1,592
<b>Total Attributed Debt</b>	<b>\$ 24,310</b>	<b>\$ 23,734</b>	<b>\$ 24,320</b>	<b>\$ 23,440</b>	<b>\$ 23,635</b>
<b><u>Adjusted Attributed Common Equity (b)</u></b>					
General Insurance	\$ 24,826	\$ 25,066	\$ 26,910	\$ 24,146	\$ 23,887
Life and Retirement	18,280	19,695	19,254	19,972	19,931
Other Operations	(2,308)	(6,026)	(5,806)	(2,282)	(2,706)
<b>Total Core</b>	<b>40,798</b>	<b>38,735</b>	<b>40,358</b>	<b>41,836</b>	<b>41,112</b>
<b>Legacy</b>	<b>7,450</b>	<b>8,886</b>	<b>8,811</b>	<b>9,267</b>	<b>9,246</b>
<b>Total Adjusted Attributed Common Equity</b>	<b>\$ 48,248</b>	<b>\$ 47,621</b>	<b>\$ 49,169</b>	<b>\$ 51,103</b>	<b>\$ 50,358</b>

\* In accordance with our annual process, the opening balances (i.e. January 1, 2018) of attributed debt and attributed common equity were recalibrated based on our internal model.

(a) Attribution of debt is performed on an annual basis unless recalibration is needed. Attributed debt is determined by management, informed by our internal capital model. Attributed debt is attributed on "frictional" capital requirements beyond attributed equity.

(b) Attribution of adjusted common equity is performed on an annual basis unless recalibration is needed. Adjusted attributed common equity is determined by management, informed by our internal capital model and on the model's risk profile of each business. The recalibrated adjusted attributed common equity balances as of January 1, 2018 were \$22,933 million, \$19,467 million, \$(2,469) million and \$39,931 million for General Insurance, Life and Retirement, Other Operations and Core, respectively. There was no change for Legacy Portfolio. The calculation of average adjusted attributed common equity for quarters subsequent to the recalibration is calculated using the recalibrated adjusted attributed common equity as of January 1, 2018.

**American International Group, Inc.**  
**Non-GAAP Reconciliation – Premiums to Premiums and Deposits\***

(in millions)

	Quarterly				
	1Q19	4Q18	3Q18	2Q18	1Q18
<b>Individual Retirement:</b>					
Premiums	\$ 11	\$ 15	\$ 9	\$ 16	\$ 12
Deposits	4,175	4,213	3,609	3,408	4,347
Other	-	(3)	(2)	(2)	(1)
<b>Premiums and deposits</b>	<b>\$ 4,186</b>	<b>\$ 4,225</b>	<b>\$ 3,616</b>	<b>\$ 3,422</b>	<b>\$ 4,358</b>
<b>Individual Retirement (Fixed Annuities):</b>					
Premiums	\$ 12	\$ 16	\$ 10	\$ 17	\$ 13
Deposits	1,811	1,666	1,158	1,112	786
Other	(2)	(4)	(3)	(4)	(2)
<b>Premiums and deposits</b>	<b>\$ 1,821</b>	<b>\$ 1,678</b>	<b>\$ 1,165</b>	<b>\$ 1,125</b>	<b>\$ 797</b>
<b>Individual Retirement (Variable Annuities):</b>					
Premiums	\$ (1)	\$ (1)	\$ (1)	\$ (1)	\$ (1)
Deposits	557	715	838	771	1,921
Other	2	1	1	1	1
<b>Premiums and deposits</b>	<b>\$ 558</b>	<b>\$ 715</b>	<b>\$ 838</b>	<b>\$ 771</b>	<b>\$ 1,921</b>
<b>Individual Retirement (Index Annuities):</b>					
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	1,362	1,383	1,171	957	739
Other	-	-	-	-	-
<b>Premiums and deposits</b>	<b>\$ 1,362</b>	<b>\$ 1,383</b>	<b>\$ 1,171</b>	<b>\$ 957</b>	<b>\$ 739</b>
<b>Individual Retirement (Retail Mutual Funds):</b>					
Premiums	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits	445	449	441	570	901
Other	-	-	-	-	-
<b>Premiums and deposits</b>	<b>\$ 445</b>	<b>\$ 449</b>	<b>\$ 441</b>	<b>\$ 570</b>	<b>\$ 901</b>
<b>Group Retirement:</b>					
Premiums	\$ 4	\$ 4	\$ 9	\$ 15	\$ 6
Deposits	2,059	2,102	2,107	2,330	2,066
Other	-	-	-	-	-
<b>Premiums and deposits</b>	<b>\$ 2,063</b>	<b>\$ 2,106</b>	<b>\$ 2,116</b>	<b>\$ 2,345</b>	<b>\$ 2,072</b>
<b>Life Insurance:</b>					
Premiums	\$ 395	\$ 378	\$ 379	\$ 418	\$ 379
Deposits	406	417	410	410	412
Other	194	192	189	152	178
<b>Premiums and deposits</b>	<b>\$ 995</b>	<b>\$ 987</b>	<b>\$ 978</b>	<b>\$ 980</b>	<b>\$ 969</b>
<b>Institutional Markets:</b>					
Premiums	\$ 819	\$ 816	\$ 46	\$ 41	\$ 49
Deposits	286	25	17	565	1,408
Other	7	7	6	46	6
<b>Premiums and deposits</b>	<b>\$ 1,112</b>	<b>\$ 848</b>	<b>\$ 69</b>	<b>\$ 652</b>	<b>\$ 1,463</b>
<b>Total Life and Retirement:</b>					
Premiums	\$ 1,229	\$ 1,213	\$ 443	\$ 490	\$ 446
Deposits	6,926	6,757	6,143	6,713	8,233
Other	201	196	193	196	183
<b>Premiums and deposits</b>	<b>\$ 8,356</b>	<b>\$ 8,166</b>	<b>\$ 6,779</b>	<b>\$ 7,399</b>	<b>\$ 8,862</b>

\* 1Q18 includes deposits in Individual Retirement (\$1.1 billion), Group Retirement (\$0.2 billion) and Institutional Markets (\$1.4 billion) of FHLB funding agreements.



American International Group, Inc. (AIG) is a leading global insurance organization. Building on 100 years of experience, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange.

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